

## **Burlington Northern Santa Fe Corporation and Subsidiaries – Index to Exhibits**

### **Exhibit**

<b>Number</b>	<b>Description</b>
<b>3.1</b>	Amended and Restated Certificate of Incorporation of BNSF (amended as of April 21, 1998). Incorporated by reference to Exhibit 3.1 to BNSF's Report on Form 10-Q for the quarter ended June 30, 1998 (SEC File No. 1-11535). Certificate of Elimination of the Designation of the 6 1/4% Cumulative, Convertible Preferred Stock, Series A, \$0.02 Par Value. Certificate of Designation, Preferences and Rights of Junior Participating Preferred Stock, Series B, \$0.01 Par Value. Incorporated by reference to Exhibit 4.1 to BNSF's Form 8-A 12B filed December 23, 1999 (SEC File No. 1-11535). Certificate of Increase in the Number of Authorized Shares of Junior Participating Preferred Stock, Series B, \$0.01 Par Value. Incorporated by reference to Exhibit 3.1 to BNSF's Report on Form 10-K for the fiscal year ended December 31, 2001 (SEC File No. 1-11535).
<b>3.2</b>	By-Laws of Burlington Northern Santa Fe Corporation, as amended and restated, dated December 8, 2005. Incorporated by reference to Exhibit 3.1 to BNSF's Form 8-K dated December 8, 2005.
<b>4.1</b>	Indenture, dated as of December 1, 1995, between BNSF and The First National Bank of Chicago, as Trustee. Incorporated by reference to Exhibit 4 to BNSF's Registration Statement on Form S-3 (No. 333-72013).
<b>4.2</b>	Form of BNSF's 6 1/8% Notes Due 2009. Incorporated by reference to Exhibit 4.2 to BNSF's Report on Form 10-K for the fiscal year ended December 31, 1998 (SEC File No. 1-11535).
<b>4.3</b>	Form of BNSF's 6 3/4% Debentures Due 2029. Incorporated by reference to Exhibit 4.3 to BNSF's Report on Form 10-K for the fiscal year ended December 31, 1998 (SEC File No. 1-11535).
<b>4.4</b>	Form of BNSF's 6.70% Debenture Due August 1, 2028. Incorporated by reference to Exhibit 4.4 to BNSF's Report on Form 10-K for the fiscal year ended December 31, 1998 (SEC File No. 1-11535).
<b>4.5</b>	Form of BNSF's 7.875% Note Due April 15, 2007. Incorporated by reference to Exhibit 4.5 to BNSF's Report on Form 10-K for the fiscal year ended December 31, 2000 (SEC File No. 1-11535).
<b>4.6</b>	Form of BNSF's 8.125% Debenture Due April 15, 2020. Incorporated by reference to Exhibit 4.6 to BNSF's Report on Form 10-K for the fiscal year ended December 31, 2000 (SEC File No. 1-11535).
<b>4.7</b>	Form of BNSF's 7.95% Debenture Due August 15, 2030. Incorporated by reference to Exhibit 4.7 to BNSF's Report on Form 10-K for the fiscal year ended December 31, 2000 (SEC File No. 1-11535).
<b>4.8</b>	Form of BNSF's 6.75% Note due July 15, 2011. Incorporated by reference to Exhibit 4.1 to BNSF's Report on Form 10-Q for the quarter ended June 30, 2001.
<b>4.9</b>	Officers' Certificates as to the terms of Form of BNSF's 5.90% Notes Due July 1, 2012 including the form of the Notes. Incorporated by reference to Exhibit 4.1 to BNSF's Report on Form 10-Q for the quarter ended June 30, 2002.
<b>4.10</b>	Officers' Certificate of Determination as to the terms of BNSF's 4.875% Notes Due January 15, 2015, including Exhibit A thereto, the form of the Notes. Incorporated by reference to Exhibit 4.1 to BNSF's Report on Form 8-K (Date of earliest event reported: November 18, 2004).
<b>4.11</b>	Indenture, dated as of December 8, 2005, between BNSF and U.S. Bank Trust National Association, as Trustee. Incorporated by reference to Exhibit 4.1 to BNSF's Registration Statement on Form S-3 ASR (No. 333-130214).
<b>4.12</b>	Certificate of Trust of BNSF Funding Trust I, executed and filed by U.S. Bank Trust National Association, Linda Hurt and James Gallegos, as Trustees. Incorporated by reference to Exhibit 4.3 to BNSF's Registration Statement of Form S-3 (No. 333-130214).

**Exhibit****Number Description**

- 4.13** Amended and Restated Declaration of Trust of BNSF Funding Trust I, dated as of December 15, 2005. Incorporated by reference to Exhibit 4.4 to BNSF's Report on Form 8-K filed December 15, 2005.
- 4.14** Guarantee Agreement between BNSF and U.S. Bank Trust National Association, as Guarantee Trustee, dated as of December 15, 2005. Incorporated by reference to Exhibit 4.5 to BNSF's Report on Form 8-K filed December 15, 2005.
- 4.15** First Supplemental Indenture, dated as of December 15, 2005, between BNSF and U.S. Bank Trust National Association, as Trustee. Incorporated by reference to Exhibit 4.6 to BNSF's Report on Form 8-K filed December 15, 2005.
- 4.16** Agreement as to Expenses and Liabilities between BNSF and BNSF Funding Trust I. Incorporated by reference to Exhibit C to Exhibit 4.4 to BNSF's Report on Form 8-K filed December 15, 2005.
- 4.17** Trust Preferred Securities Certificate of BNSF Funding Trust I. Incorporated by reference to Exhibit D to Exhibit 4.4 to BNSF's Report on Form 8-K filed December 15, 2005.

Certain instruments evidencing long-term indebtedness of BNSF are not being filed as exhibits to this Report because the total amount of securities authorized under any single such instrument does not exceed 10% of BNSF's total assets. BNSF will furnish copies of any material instruments upon request of the Securities and Exchange Commission.

- 10.1\*** Burlington Northern Santa Fe Non-Employee Directors' Stock Plan as amended February 11, 2005. Incorporated by reference to Exhibit 10.1 to BNSF's Report on Form 10-K for the fiscal year ended December 31, 2004.
- 10.2\*** The BNSF Railway Company Incentive Compensation Plan, as amended and restated, effective January 1, 2006.
- 10.3\*** Burlington Northern Santa Fe Corporation Deferred Compensation Plan, as amended and restated, effective December 9, 2004. Incorporated by reference to Exhibit 10.1 to BNSF's Report on Form 8-K dated December 9, 2004.
- 10.4\*** Burlington Northern Inc. Senior Executive Survivor Benefit Plan as of April 1, 1986. Incorporated by reference to Amendment No. 1 to BNI's Report on Form 10-K for the fiscal year ended December 31, 1987 (SEC File No. 1-8159).
- 10.5\*** Burlington Northern Santa Fe Corporation Senior Management Stock Deferral Plan, as amended and restated effective December 9, 2004. Incorporated by reference to Exhibit 10.4 to BNSF's Report on Form 8-K dated December 31, 2004.
- 10.6\*** Burlington Northern Santa Fe Long Term Incentive Stock Plan. Incorporated by reference to Exhibit 4(c) to BNSF's Registration Statement on Form S-8 (File No. 33-63247).
- 10.7\*** Burlington Northern Santa Fe Corporation 1990 Directors Stock Option Plan. Incorporated by reference to BNSF's Registration Statement on Form S-8 (File No. 33-62825).
- 10.8\*** Burlington Northern Santa Fe Incentive Bonus Stock Program, as amended and restated September 14, 2005. Incorporated by reference to Exhibit 10.1 to BNSF's Report on Form 8-K dated September 19, 2005.
- 10.9\*** Burlington Northern Santa Fe Corporation 1992 Stock Option Incentive Plan. Incorporated by reference to BNSF's Registration Statement on Form S-8 (File No. 33-62839).

**Exhibit**

<b>Number</b>	<b>Description</b>
<b>10.10*</b>	Burlington Northern Santa Fe 1996 Stock Incentive Plan. Incorporated by reference to Appendix B to BNSF's Proxy Statement dated March 5, 1996 (SEC File No. 1-11535). Amendment of Burlington Northern Santa Fe 1996 Stock Incentive Plan dated January 15, 1998. Incorporated by reference to Exhibit 10.13 to BNSF's Report on Form 10-K for the fiscal year ended December 31, 1997 (SEC File No. 1-11535). Amendment dated December 3, 1998. Incorporated by reference to Exhibit 10.13 to BNSF's Report on Form 10-K for the fiscal year ended December 31, 1999 (SEC File No. 1-11535).
<b>10.11*</b>	Burlington Northern Santa Fe Supplemental Retirement Plan, effective October 1, 1996, as amended through July 21, 2005. Incorporated by reference to Exhibit 10.1 to BNSF's Report on Form 8-K dated July 21, 2005.
<b>10.12*</b>	Burlington Northern Santa Fe Estate Enhancement Program, as amended and restated, effective October 1, 1996. Incorporated by reference to Exhibit 10.15 to BNSF's Report on Form 10-K for the fiscal year ended December 31, 1996 (SEC File No. 1-11535). Amendment to Burlington Northern Santa Fe Estate Enhancement Program. Incorporated by reference to Exhibit 10.2 to BNSF's Report on Form 10-Q for the quarter ended June 30, 1999 (SEC File No. 1-11535).
<b>10.13*</b>	Form of BNSF Change-in-Control Agreement (applicable to Messrs. Ice, Hund, Moreland, and Lanigan, and two other executive officers). Incorporated by reference to Exhibit 10.17 to BNSF's Report on Form 10-K for the fiscal year ended December 31, 1996 (SEC File No. 1-11535). Amendment dated December 17, 1998. Incorporated by reference to Exhibit 10.15 to BNSF's Report on Form 10-K for the fiscal year ended December 31, 2001.
<b>10.14*</b>	Burlington Northern Santa Fe Deferred Compensation Plan for Directors, as amended and restated, effective December 9, 2004. Incorporated by reference to Exhibit 10.5 to BNSF's Report on Form 8-K dated December 9, 2004.
<b>10.15*</b>	Burlington Northern Santa Fe Corporation Supplemental Investment and Retirement Plan, effective January 1, 1997, as amended through July 21, 2005. Incorporated by reference to Exhibit 10.2 to BNSF's Report on Form 8-K dated July 21, 2005.
<b>10.16*</b>	Burlington Northern Inc. Form of Severance Agreement and amendments through September 18, 1995 (applicable to Mr. Rose). Incorporated by reference to Exhibit 10.21 to BNSF's Report on Form 10-K for the fiscal year ended December 31, 1995 (SEC File No. 1-11535). Amendment to Form of Severance Agreement dated December 3, 1997 is incorporated by reference to Exhibit 10.21 to BNSF's Report on Form 10-K for the fiscal year ended December 31, 1997 (SEC File No. 1-11535). Amendment dated January 6, 1999 is incorporated by reference to BNSF's Report on Form 10-K for the fiscal year ended December 31, 2001.
<b>10.17*</b>	Burlington Northern Inc. Director's Charitable Award Program. Incorporated by reference to Exhibit 10.22 to BNSF's Report on Form 10-K for the fiscal year ended December 31, 1995 (SEC File No. 1-11535).
<b>10.18*</b>	Burlington Northern Santa Fe Salary Exchange Option Program, as amended and restated, October 1, 2004. Incorporated by reference to Exhibit 10.18 to BNSF's Report on Form 10-K for the fiscal year ended December 31, 2004.
<b>10.19*</b>	Santa Fe Pacific Corporation Supplemental Retirement Plan (Supplemental Plan). Incorporated by reference to Exhibit 10(d) to SFP's Report on Form 10-K for the fiscal year ended December 31, 1984 (SEC File No. 1-8627). Supplemental Plan as amended October 1, 1989, and Amendment to Supplemental Plan dated February 27, 1990, are incorporated by reference to Exhibit 10(d) to SFP's Report on Form 10-K for the fiscal year ended December 31, 1989 (SEC File No. 1-8627). Amendment to Supplemental Plan dated March 22, 1994, and effective January 1, 1994, is incorporated by reference to Exhibit 10.24 to BNSF's Report on Form 10-K for the fiscal year ended December 31, 1995 (SEC File No. 1-11535).

**Exhibit**

<b>Number</b>	<b>Description</b>
<b>10.20*</b>	The Burlington Northern and Santa Fe Railway Company Severance Plan as amended and restated October 16, 2001. Incorporated by reference to Exhibit 10.22 to BNSF's Report on Form 10-K for the fiscal year ended December 31, 2001.
<b>10.21*</b>	Burlington Northern Santa Fe 1999 Stock Incentive Plan, as amended and restated, effective December 8, 2005.
<b>10.22*</b>	Benefits Protection Trust Agreement by and between Burlington Northern Santa Fe Corporation and Wachovia Bank, approved by the board of directors February 11, 2005. Incorporated by reference to Exhibit 10.22 of BNSF's Report on Form 10-K for the fiscal year ended December 31, 2004.
<b>10.23*</b>	Burlington Northern Santa Fe Directors' Retirement Plan. Incorporated by reference to Exhibit 10.29 to BNSF's Report on Form 10-K for the fiscal year ended December 31, 1995 (SEC File No. 1-11535).
<b>10.24*</b>	Form of indemnification agreement dated as of September 17, 1998 between BNSF and directors. Incorporated by reference to Exhibit 10.37 to BNSF's Report on Form 10-K for the fiscal year ended December 31, 1998 (SEC File No. 1-11535).
<b>10.25*</b>	Form of indemnification agreement dated as of September 17, 1998 between BNSF and certain officers, including Matthew K. Rose, Thomas N. Hund, Carl R. Ice, John P. Lanigan, Jr., Jeffrey R. Moreland, Dennis R. Johnson, and Peter J. Rickershauser. Incorporated by reference to Exhibit 10.38 to BNSF's Report on Form 10-K for the fiscal year ended December 31, 1998 (SEC File No. 1-11535).
<b>10.26*</b>	Amendment to Burlington Northern Santa Fe Supplemental Retirement Plan (Matthew K. Rose) dated April 18, 2002. Incorporated by reference to Exhibit 10.2 to BNSF's Report on Form 10-Q for the period ended June 30, 2002.
<b>10.27*</b>	Retirement Benefit Agreement dated April 19, 2002 between BNSF and Matthew K. Rose. Incorporated by reference to Exhibit 10.3 to BNSF's Report on Form 10-Q for the period ended June 30, 2002.
<b>10.28*</b>	Retirement Benefit Agreement dated January 16, 2003 between BNSF and John P. Lanigan. Incorporated by reference to Exhibit 10.29 to BNSF's Report on Form 10-K for the year ended December 31, 2003.
<b>10.29*</b>	Form of Notice of Grant of Incentive Stock Options and Non-Qualified Stock Options and Award Agreement. Incorporated by reference to Exhibit 99.1 to BNSF's Report on Form 8-K dated December 9, 2004.
<b>10.30*</b>	Form of Burlington Northern Santa Fe 1999 Stock Incentive Plan Stock Option Award Agreement Terms and Conditions. Incorporated by reference to Exhibit 99.2 to BNSF's Report on Form 8-K dated December 9, 2004.
<b>10.31*</b>	Form of 1999 Stock Incentive Plan Master Restricted Stock Award Agreement. Incorporated by reference to Exhibit 99.3 to BNSF's Report on Form 8-K dated December 9, 2004.
<b>10.32*</b>	Form of 1999 Stock Incentive Plan Reload Stock Option Agreement. Incorporated by reference to Exhibit 99.4 to BNSF's Report on Form 8-K dated December 9, 2004.
<b>10.33*</b>	Form of 1999 Stock Incentive Plan Exchange Option Grant Agreement. Incorporated by reference to Exhibit 99.5 to BNSF's Report on Form 8-K dated December 9, 2004.
<b>10.34*</b>	Form of 1999 Stock Incentive Plan Senior Management Stock Deferral Plan Award Agreement. Incorporated by reference to Exhibit 99.6 to BNSF's Report on Form 8-K dated December 9, 2004.
<b>10.35*</b>	Form of 1999 Stock Incentive Plan Individual Stock Award Agreement. Incorporated by reference to Exhibit 99.7 to BNSF's Report on Form 8-K dated December 9, 2004.

**Exhibit**

<b>Number</b>	<b>Description</b>
<b>10.36*</b>	Form of Burlington Northern Santa Fe Non-Employee Directors' Stock Plan Director's Restricted Stock Unit Award Agreement. Incorporated by reference to Exhibit 10.1 to BNSF's Report on Form 8-K dated May 17, 2005.
<b>10.37*</b>	Form of Burlington Northern Santa Fe Non-Employee Directors' Stock Plan Non-Qualified Stock Option Grant Agreement. Incorporated by reference to Exhibit 99.9 to BNSF's Report on Form 8K dated December 9, 2004.
<b>10.38*</b>	Form of 1999 Stock Incentive Plan Incentive Bonus Stock Program Award Agreement.
<b>10.39*</b>	Form of Burlington Northern Santa Fe 1999 Stock Incentive Plan Performance Stock Award Agreement. Incorporated by reference to Exhibit 10.4 to BNSF's Report on Form 8-K dated May 2, 2005.
<b>10.40*</b>	Burlington Northern Santa Fe 2005 Deferred Compensation Plan for Non-Employee Directors, effective April 21, 2005. Incorporated by reference to Exhibit 10.1 to BNSF's Report on Form 8-K dated April 21, 2005.
<b>10.41</b>	Replacement Capital Covenant, dated as of December 15, 2005, by BNSF in favor of and for the benefit of each Covered Debtholder (as defined therein).
<b>10.42*</b>	Form of Award Agreement Including Notice of Grant and Master Stock Option Terms and Conditions, dated May 2, 2005 (Incentive Stock Options). Incorporated by reference to Exhibit 10.1 to BNSF's Report on Form 8-K dated May 2, 2005.
<b>10.43*</b>	Form of Award Agreement Including Notice of Grant and Master Stock Option Terms and Conditions, dated May 2, 2005 (Incentive Stock Options and Non-qualified Stock Options). Incorporated by reference to Exhibit 10.2 to BNSF's Report on Form 8-K dated May 2, 2005.
<b>10.44*</b>	Form of Award Agreement Including Notice of Grant and Master Restricted Stock Unit Terms and Conditions, dated May 2, 2005. Incorporated by reference to Exhibit 10.3 to BNSF's Report on Form 8-K dated May 2, 2005.
<b>10.45*</b>	Summary of Non-Employee Director's Compensation.
<b>10.46*</b>	Summary of Executive Officer Compensation.
<b>12.1</b>	Computation of Ratio of Earnings to Fixed Charges.
<b>21.1</b>	Subsidiaries of BNSF.
<b>23.1</b>	Consent of PricewaterhouseCoopers LLP.
<b>24.1</b>	Powers of Attorney.
<b>31.1</b>	Principal Executive Officer's Certifications Pursuant to Rule 13a-14(a) (Section 302 of the Sarbanes-Oxley Act of 2002).
<b>31.2</b>	Principal Financial Officer's Certifications Pursuant to Rule 13a-14(a) (Section 302 of the Sarbanes-Oxley Act of 2002).
<b>32.1</b>	Certification Pursuant to Rule 13a-14(b) and 18 U.S.C. § 1350 (Section 906 of the Sarbanes-Oxley Act of 2002).
<b>99.1</b>	Certification Pursuant to Section 303A.12 of the New York Stock Exchange Listed Company Manual.

\* Management contract or compensatory plan or arrangement.

BNSF RAILWAY COMPANY  
Incentive Compensation Plan  
Amended and Restated Effective January 1, 2006

## 1.0 OBJECTIVE

The BNSF Railway Company ("BNSF Railway" or the "Company") Incentive Compensation Plan ("ICP" or the "Plan") has as its objective to:

- 1.1 Communicate and focus attention on key BNSF Railway business goals.
- 1.2 Identify and reward superior performance.
- 1.3 Provide a competitive compensation package to attract and retain high quality employees.

## 2.0 ADMINISTRATION

The ICP Committee shall provide overall administration of the Plan. The ICP Committee shall be comprised of the Chief Executive Officer, the Executive Vice President and CFO, the Executive Vice President Law & Government Affairs and Secretary, and the Vice President-Human Resources and Medical.

The ICP Committee will have discretionary authority to review and approve any changes in eligibility, levels of participation, incentive opportunity, basis for award determination, performance objectives, etc., subject to other requirements of the Plan. Review and approval of Plan details will be performed on an annual basis.

The ICP Committee will appoint a plan administrator whose responsibility to the ICP Committee will include:

- 2.1 Establishment of procedures for the Plan operation.
- 2.2 Timely and effective management of the day-to-day operations of the Plan.
- 2.3 Performance of periodic analyses to ensure the Plan's effectiveness.

## 3.0 ELIGIBILITY

All regularly assigned, active salaried employees of BNSF Railway and its rail subsidiaries shall be eligible to participate in the ICP subject to the discretion of the ICP Committee. Employees hired into a salaried position after October 1, will not be eligible until the next calendar year. The ICP Committee shall designate an employee's level of participation. The extent of participation in the ICP may vary according to the employee's level of responsibility. Depending on one's level within the

organization and departmental discretion, some percentage of an employee's payout potential may be based upon achievement of personal goals.

- 3.1 ICP eligibility of newly hired salaried employees or scheduled employees promoted to a salaried position will be treated as follows:
  - 3.1.1 A new employee hired into an eligible position on or before October 1 will be eligible to participate in the current calendar year.
  - 3.1.2 A scheduled employee promoted to a regularly assigned salaried position on or before October 1 will be eligible to participate in the current calendar year.
  - 3.1.3 The ICP award for a new salaried employee or a scheduled employee promoted into an eligible position for the first time, on or before October 1, will be prorated based upon the number of days worked in active service in the eligible position.
- 3.2 Promotions, transfers, and assignments of active employees to temporary, part-time, red-circle or other similar salary band continuation status will be treated in the following manner:
  - 3.2.1 A scheduled employee placed on temporary assignment to a salaried position will not be eligible for an ICP payout.
  - 3.2.2 A regularly-assigned salaried employee placed on a temporary assignment to another salaried position of a higher salary band will maintain his/her regularly assigned position's ICP participation level.
  - 3.2.3 A regularly-assigned salaried employee promoted (or demoted) from one position to another with a higher (or lower) ICP participation level will have his/her ICP award calculated on a pro-rata basis for the number of days employed at each level.
  - 3.2.4 A regularly-assigned salaried employee who is assigned for all or a portion of the year to a part-time position will have his/her ICP award calculated on a pro-rata basis for the number of days employed at each ICP participation level and full-time-equivalency level.
  - 3.2.5 A regularly-assigned salaried employee who has red-circle or other similar salary band continuation status at a higher salary band will have his/her ICP award calculated on a pro-rata basis at the ICP participation level of the higher salary band for the number of days of red-circle or other similar salary band continuation status and at the ICP participation level of the assigned band for the number of days without such status.

3.3 ICP eligibility with respect to voluntary and involuntary separation will be determined as follows:

#### 3.3.1 VOLUNTARY RESIGNATIONS

- 3.3.1(a) If a participating employee voluntarily resigns after December 31, but before award payout, the amount that would have otherwise been received had there been no resignation will be paid to the employee.
- 3.3.1(b) If a participating employee voluntarily resigns on or before December 31, and is not eligible for participation in a company-sponsored severance program, the employee forfeits all rights to an ICP award.
- 3.3.1(c) If a participating employee voluntarily resigns in conjunction with a Company-sponsored severance program, the participant is eligible to receive a pro-rata share of the ICP award he/she would otherwise have earned based upon the number of days worked in active service during the severance year.

#### 3.3.2 INVOLUNTARY SEPARATION

- 3.3.2(a) If a participating employee is terminated for cause, the participant forfeits all rights to an ICP award. Cause shall be defined by the ICP Committee.
- 3.3.2(b) If a participating employee is terminated at the discretion of the Company as part of a Company-sponsored severance program and other than for cause, the participant is eligible to receive a pro-rata share of the ICP award he/she would otherwise have earned based upon the number of days worked in active service during the severance year.

3.4 ICP eligibility with respect to the following events will be determined as indicated.

#### MISCELLANEOUS EVENTS AFFECTING ELIGIBILITY

- 3.4.1 Retirement - The participant is eligible to receive a pro-rata share of the ICP award he/she would otherwise have earned based upon the number of days' service prior to retirement.
- 3.4.2 Disability - A participating employee on short-term disability is eligible to receive the full ICP payout. A participating employee who is placed on long-term disability ("LTD") is eligible to receive a pro-rata share of the ICP award he/she would have earned based upon the number of days' of otherwise eligible

service accrued prior to being placed on LTD. No ICP eligibility accrues for any employee while on LTD, but eligibility will be reinstated should the employee be removed from LTD and return to an active, regularly-assigned salaried position.

- 3.4.3 Medical Leave - A participating employee on short-term paid medical leave is eligible to receive the full ICP payout. An employee on unpaid medical leave will be ineligible to receive an ICP payout for those days comprising the unpaid medical leave period. The employee will receive a pro-rata ICP payout based upon the total of all otherwise eligible salaried service during the year, excluding the days on unpaid medical leave of absence.
- 3.4.4 Suspension - A participating employee suspended (without pay) for disciplinary reasons is ineligible to receive an ICP payout for any and all days comprising the suspension period.
- 3.4.5 Leave of Absence with Pay - A participating employee on leave of absence with pay is entitled to receive the full ICP payout.
- 3.4.6 Leave of Absence without Pay - A participating employee on leave of absence without pay will be ineligible to receive an ICP payout for those days comprising the unpaid leave period. The employee will receive a pro-rata ICP payout based upon the total of all otherwise eligible salaried service during the year, excluding the days on unpaid leave of absence.
- 3.4.7 Military Leave - A participating employee on paid military leave is entitled to the full ICP payout. An employee on unpaid military leave will be ineligible to receive an ICP payout for those days comprising the unpaid military leave period. The employee will receive a pro-rata ICP payout based upon the total of all otherwise eligible salaried service during the year, excluding the days on unpaid military leave of absence.
- 3.4.8 Death - A pro-rata share of the ICP award the participant would otherwise have earned will be paid to the deceased employee's estate based upon the total number of days of eligible service during the award year.
- 3.4.9 Seniority Exercise - A participating employee who exercises his/her seniority at any time during the year forfeits all rights to an ICP award for that year except under circumstances when an employee exercises seniority in lieu of a severance package which had been offered to the employee.
- 3.4.10 Position Abolishment - If the Company abolishes a participating salaried employee's position and the Company offers a severance package, the participant is eligible to receive a pro-rata share of the ICP award he/she would otherwise have earned based upon the number of days' service prior to abolishment.

3.4.11 The ICP Committee may, at its discretion, decide to pay all or a portion of the award a participant would otherwise have earned when termination occurs under any subsection to Section 3.0 ELIGIBILITY.

For purposes of Section 3.0, a pro-rata share of the ICP award a participant would otherwise have earned shall be based upon the nearest whole number of days in active service during the award year. Performance awards for eligible persons terminating employment during the award year shall be based on actual Company and individual performance through the full year and will be payable at the payment date for continuing employees.

#### 4.0 INCENTIVE OPPORTUNITIES

The incentive awards will be designed to reflect the position's impact on BNSF Railway performance and will provide incentives that are in line with key competitors. Incentive levels will be determined and communicated to employees on an annual basis.

#### 5.0 INCENTIVE AWARD BASES

The ICP Committee shall annually review the mix of Company goals and individual or departmental goals (defined further in Section 6.0) and may modify them at its discretion.

#### 6.0 PERFORMANCE OBJECTIVES

Payments of ICP awards shall be based on performance measured against objectives established by the Compensation and Development Committee of the Board of Directors of Burlington Northern Santa Fe Corporation ("BNSF Corporation").

##### 6.1. COMPANY-WIDE GOALS

Company-wide performance objectives shall be established at the beginning of each year for BNSF Railway.

##### 6.2. PERSONAL AND DEPARTMENTAL GOALS

If the ICP Committee determines that departments may have departmental or personal goals, then each department may establish its own departmental goals and assign them to some or all departmental employees. The department may also establish personal goals for selected employees to be accomplished in addition to or in lieu of any departmental goals.

The personal goals element of the ICP is intended to be used by the immediate supervisor of an employee whose salary band is a level approved by the ICP Committee to have personal goals assigned as part of an employee's plan participation. In such circumstances, the manager may deem it necessary or desirable to encourage

the planning and review of written individual objectives in order to accomplish the following:

- 6.2.1 Provide a system whereby senior management and subordinates mutually agree on important objectives to be attained.
- 6.2.2 Provide an opportunity for regular review and feedback regarding progress towards stated objectives.
- 6.2.3 Introduce a discretionary element into the ICP to give senior management greater flexibility in ensuring that the ICP accomplishes its basic purposes.

At the beginning of each year for which there are to be personal goals, it is recommended that approximately two goals be mutually agreed upon by the participating employee and his/her immediate supervisor. These objectives are to represent specific accomplishments desired within the framework of the responsibilities of the participating employee, or could represent specific goals beyond the scope of the employee's usual job requirements. Objectives may be related solely to one individual, or may relate to a group of two or more individuals whose efforts are required to complete a common task. Objectives may apply to the full year, or to a portion of the year, as appropriate. Each objective shall be designed to be measurable and attainable, but not without significant effort.

Personal goals, when they apply, will be established for each participating employee by the employee and his or her manager subject to the approval of the department head and the ICP Committee.

## 7.0 PERFORMANCE

Company performance will be reviewed each quarter when quarterly financial and operating results are available. The determination and distribution of awards will occur as soon as practicable after the compilation of the full year results.

Senior management and the ICP Committee shall have the discretion to apply judgment to their performance evaluation at the company, departmental and individual performance levels. Performance shall be evaluated in light of opportunities and conditions prevailing during the measurement period.

- 7.1 The ICP Committee shall approve all awards except as described in Section 7.3.
- 7.2 Subject to Section 7.3, the ICP Committee has the discretion of increasing or decreasing individual or collective awards on any basis including the following considerations:
  - 7.2.1 BNSF Railway performance relative to its competitors.
  - 7.2.2 Long term as well as short term performance considerations.

7.2.3 Unforeseen opportunities and obstacles.

7.2.4 The ICP Committee's judgment of BNSF Railway and individual performance.

7.3 The awards of all executive officers of BNSF Railway who are also executive officers of BNSF Corporation shall be recommended by the Compensation and Development Committee of the BNSF Corporation Board of Directors and approved by the BNSF Corporation Board of Directors, provided, however, that the award for the Chief Executive Officer shall be approved by the independent directors on the BNSF Corporation Board of Directors.

## 8.0 AWARD PAYMENT

The ICP Committee will select the payment date at its discretion as soon as practicable after the close of the year and completion of performance evaluations, provided, however, that the payment date shall be no later than the 15<sup>th</sup> day of the third month following the close of the year unless unforeseeable events make it impractical to make the payments by such date. ICP awards are subject to all usual tax and withholding requirements.

To the extent that the Plan and the awards under the Plan are subject to the rules applicable to nonqualified deferred compensation plans under section 409A of the Code, such portion of the Plan and such awards are not intended to result in acceleration of income recognition or imposition of penalty taxes by reason of section 409A, and the terms of such portion of the Plan and such awards shall be interpreted in a manner (and such portion of the Plan and such awards will be amended to the extent determined necessary or appropriate by the Committee) to avoid such acceleration and penalties.

NOTE: If the Company fails to meet its financial threshold objectives, then no ICP awards (companywide, departmental, or individual) shall be due or payable for that year above 200 percent of target for each non-financial measure except to the extent that the ICP Committee shall decide, in its discretion, that ICP awards shall nevertheless be paid above that level (provided, however, that with respect to any employees who are executive officers of BNSF Corporation, the Compensation and Development Committee and the Board of Directors of BNSF Corporation must concur in this decision, provided, however, that in the case of the Chief Executive Officer, only the independent directors on the BNSF Corporation Board of Directors must concur in this decision).

## 9.0 COMMUNICATIONS

The Plan administrator, under the direction of the ICP Committee, shall be responsible for maintaining records and communicating information concerning the ICP.

## 10.0 TERMINATION OR AMENDMENT

The ICP shall remain in effect until terminated or ended by the Board of Directors or the ICP Committee. However, if a Change in Control shall have occurred during the term of this Plan, this Plan shall continue in effect through the end of the year in which such Change in Control occurred, during

which time the Company is contractually bound to maintain the Plan, and provided further that the membership of the Committee cannot be changed during such period.

A "Change in Control" shall be deemed to have occurred if

- (a) any "person", as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (other than BNSF Corporation, any trustee or other fiduciary holding securities under an employee benefit plan of BNSF Corporation, or any company owned, directly or indirectly, by the stockholders of BNSF Corporation in substantially the same proportions as their ownership of stock of BNSF Corporation), is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of BNSF Corporation representing 25% or more of the combined voting power of BNSF Corporation's then outstanding securities;
- (b) during any period of two consecutive years (not including any period prior to the effective date of this provision), individuals who at the beginning of such period constitute the Board of BNSF Corporation, and any new director (other than a director designated by a person who has entered into an agreement with BNSF Corporation to effect a transaction described in clause (a), (c) or (d) of this definition) whose election by the Board of BNSF Corporation or nomination for election by BNSF Corporation's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof;
- (c) the stockholders of BNSF Corporation approve a merger or consolidation of BNSF Corporation with any other company other than (i) a merger or consolidation which would result in the voting securities of BNSF Corporation outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 80% of the combined voting power of the voting securities of BNSF Corporation (or such surviving entity) outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of BNSF Corporation (or similar transaction) in which no "person" (as hereinabove defined) acquires more than 25% of the combined voting power of BNSF Corporation's then outstanding securities; or
- (d) the stockholders of BNSF Corporation adopt a plan of complete liquidation of BNSF Corporation or approve an agreement for the sale or disposition by BNSF Corporation of all or substantially all of BNSF Corporation's assets. For purposes of this clause (d), the term "the sale or disposition by BNSF Corporation of all or substantially all of BNSF Corporation's assets" shall mean a sale or other disposition transaction or series of related transactions involving assets of BNSF Corporation or of any direct or indirect subsidiary of BNSF Corporation (including the stock of any direct or indirect subsidiary of BNSF Corporation) in which the value of the assets or stock being sold or otherwise disposed of (as measured by the purchase price being paid therefore or by such other

method as the Board of Directors of BNSF Corporation determines is appropriate in a case where there is no readily ascertainable purchase price) constitutes more than two-thirds of the fair market value of BNSF Corporation (as hereinafter defined). For purposes of the preceding sentence, the "fair market value of BNSF Corporation" shall be the aggregate market value of BNSF Corporation's outstanding shares of common stock (on a fully diluted basis) plus the aggregate market value of BNSF Corporation's other outstanding equity securities. The aggregate market value of the shares of BNSF Corporation's common stock (on a fully diluted basis) outstanding on the date of the execution and delivery of a definitive agreement with respect to the transaction or series of related transactions (the "Transaction Date") shall be determined by the average closing price for BNSF Corporation's common stock for the ten trading days immediately preceding the Transaction Date. The aggregate market value of any other equity securities of BNSF Corporation shall be determined in a manner similar to that prescribed in the immediately preceding sentence for determining the aggregate market value of the shares of BNSF Corporation's common stock or by such other method as the Board of Directors of BNSF Corporation shall determine is appropriate.

Subject to Section 10.0 hereof, BNSF Railway and its subsidiaries reserve the right to change Plan provisions or terminate the Plan at any time.

#### 11.0 EFFECTIVE DATE

The Amended and Restated ICP is effective January 1, 2006.

#### 12.0 NON-DUPLICATION OF BENEFITS

The ICP is in place of the Burlington Northern Santa Fe Incentive Compensation Plan effective as of January 1, 1996, and there shall be no duplication of benefits under such plan and the ICP.

**BURLINGTON NORTHERN SANTA FE 1999 STOCK INCENTIVE PLAN,  
AS AMENDED AND RESTATED**

**SECTION 1**

**STATEMENT OF PURPOSE**

1.1. The BURLINGTON NORTHERN SANTA FE 1999 STOCK INCENTIVE PLAN (the "Plan") has been established by BURLINGTON NORTHERN SANTA FE CORPORATION (the "Company") to:

- (a) attract and retain executive, managerial and other salaried employees;
- (b) motivate participating employees, by means of appropriate incentives, to achieve long-range goals;
- (c) provide incentive compensation opportunities that are competitive with those of other major corporations; and
- (d) further identify a Participant's interests with those of the Company's other stockholders through compensation that is based on the Company's common stock;

and thereby promote long-term financial interest of the Company and the Related Companies, including the growth in value of the Company's equity and enhancement of long-term stockholder return.

**SECTION 2**

**DEFINITIONS**

2.1. Unless the context indicates otherwise, the following terms shall have the meanings set forth below:

- (a) *Award*. The term "Award" shall mean any award or benefit granted to any Participant under the Plan, including, without limitation, the grant of Options, Restricted Stock, Restricted Stock Units, Performance Stock, Achievement Award Stock, or Stock acquired through purchase under Section 10.
- (b) *Board*. The term "Board" shall mean the Board of Directors of the Company.
- (c) *Cause*. The term "Cause" shall mean (a) the willful and continued failure by the Participant to substantially perform his or her duties with the Company (other than any

such failure resulting from his or her incapacity due to physical or mental illness), or (b) the willful engaging by the Participant in conduct which is demonstrably and materially injurious to the Company, monetarily or otherwise. For purposes of this definition, no act, or failure to act, shall be deemed "willful" unless done, or omitted to be done, by the Participant not in good faith and without reasonable belief that his or her action or omission was in the best interest of the Company.

(d) *Change in Control.* A "Change in Control" shall be deemed to have occurred if

- (1) any "person" as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (other than the Company, any trustee or other fiduciary holding securities under an employee benefit plan of the Company, or any company owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company), is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 25% or more of the combined voting power of the Company's then outstanding securities;
- (2) during any period of two consecutive years (not including any period prior to the effective date of this provision), individuals who at the beginning of such period constitute the Board, and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in clause (1), (3) or (4) of this definition) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds ( ? ) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof;
- (3) the stockholders of the Company approve a merger or consolidation of the Company with any other company other than (i) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 80% of the combined voting power of the voting securities of the Company (or such surviving entity) outstanding immediately after such merger or consolidation, or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no "person" (as hereinabove defined) acquires more than 25% of the combined voting power of the Company's then outstanding securities; or
- (4) the stockholders of the Company adopt a plan of complete liquidation of the Company or approve an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets. For purposes of this clause (4), the term "the sale or disposition by the Company of all or substantially all of the Company's assets" shall mean a sale or other disposition transaction or series of related transactions involving assets of the company or of any direct or indirect subsidiary of the Company (including the stock of any direct or indirect subsidiary of the Company) in which the

value of the assets or stock being sold or otherwise disposed of (as measured by the purchase price being paid therefor or by another objective method in a case where there is no readily ascertainable purchase price) constitutes more than two-thirds of the fair market value of the Company (as hereinafter defined). For purposes of the preceding sentence, the "fair market value of the Company" shall be the aggregate market value of the outstanding shares of Stock (on a fully diluted basis) plus the aggregate market value of the Company's other outstanding equity securities, (excluding employee stock options). The aggregate market value of the shares of Stock (on a fully diluted basis) outstanding on the date of the execution and delivery of a definitive agreement with respect to the transaction or series of related transactions (the "Transaction Date") shall be determined by the average closing price of the shares of Stock for the ten trading days immediately preceding the Transaction Date. The aggregate market value of any other equity securities of the Company shall be determined in a manner similar to that prescribed in the immediately preceding sentence for determining the aggregate market value of the shares of Stock.

Notwithstanding the foregoing, a merger, consolidation, acquisition of common control, or business combination of the Company and a Class I Railroad or a holding company of a Class I Railroad that is approved by the Board shall not constitute a "Change in Control" unless the Board makes a determination that the transaction shall constitute a "Change in Control".

- (e) *Code.* The term "Code" means the Internal Revenue Code of 1986, as amended. A reference to any provision of the Code shall include reference to any successor provision of the Code.
- (f) *Date of Termination.* A Participant's "Date of Termination" shall be the date on which his or her employment with all Employers and Related Companies terminates for any reason; provided that a Date of Termination shall not be deemed to occur by reason of a transfer of the Participant between the Company and a Related Company (including Employers) or between two Related Companies (including Employers); and further provided that unless agreed otherwise by the Participant, a Participant's employment shall not be considered terminated while the Participant is on a military leave, sick leave or other bona fide leave of absence from an Employer or a Related Company where the Employee may return to service and which is approved by the Participant's employer, except that the leave shall be deemed to end on the earlier of (i) the six-month anniversary of the commencement of the leave (or, if later, the termination of the Participant's right to reemployment with the Employers and Related Companies provided either by statute or by contract); or (ii) the date on which the leave in fact ends without the individual returning to active employment with the Employers and Related Companies.
- (g) *Disability.* Except as otherwise provided by the Committee, a Participant shall be considered to have a "Disability" during the period in which he or she is unable, by reason of a medically determinable physical or mental impairment, to engage in any substantial gainful activity, which condition, in the discretion of the Committee, is expected to have a duration of not less than 120 days.

- (h) *Employee.* The term "Employee" shall mean a person with an employment relationship with the Company or a Related Company.
- (i) *Employer.* The Company and each Related Company which, with the consent of the Company, participates in the Plan for the benefit of its eligible employees are referred to collectively as the "Employers" and individually as an "Employer."
- (j) *Fair Market Value.* The "Fair Market Value" of the Stock shall be the mean between the highest and lowest quoted sales prices of a share of Common Stock on the New York Stock Exchange Composite Transaction Report; provided, that if there were no sales on the valuation date but there were sales on dates within a reasonable period both before and after the valuation date, the Fair Market Value is the weighted average of the means between the highest and lowest sales on the nearest date before and the nearest date after the valuation date. The average is to be weighed inversely by the respective numbers of trading days between the selling dates and the valuation date and shall be determined in good faith by the Committee. In any event the determination of "Fair Market Value" shall be consistent with the requirements of Treasury Regulation Section 1.409A-1(b)(5)(iv)(A).
- (k) *Immediate Family.* With respect to a particular Participant, the term "Immediate Family" shall mean the Participant's spouse, children, stepchildren, adoptive relationships, sisters, brothers and grandchildren.
- (l) *Option.* The term "Option" shall mean any Incentive Stock Option or Non-Qualified Stock Option granted under the Plan.
- (m) *Participant.* The term "Participant" means an Employee who has been granted an award under the Plan.
- (n) *Performance-Based Compensation.* The term "Performance-Based Compensation" shall have the meaning ascribed to it in section 162(m)(4)(C) of the Code.
- (o) *Performance Period.* The term "Performance Period" shall mean the period over which applicable performance is to be measured, provided that such period shall not be less than one year.
- (p) *Qualified Retirement Plan.* The term "Qualified Retirement Plan" means any plan of the Company or a Related Company that is intended to be qualified under section 401(a) of the Code.
- (q) *Related Company.* The term "Related Company" means any company during any period in which it is a "subsidiary corporation" (as that term is defined in Code section 424(f)) with respect to the Company.
- (r) *Restricted Period.* The term "Restricted Period" shall mean the period of time for which Restricted Stock is subject to forfeiture pursuant to the Plan or during which Options are not exercisable.

- (s) *Retirement*. "Retirement" of a Participant shall mean the occurrence of a Participant's Date of Termination under circumstances that constitute a retirement with immediate eligibility for benefits under Article 6 or Article 7 of the Burlington Northern Santa Fe Retirement Plan, or under the terms of the Qualified Retirement Plan of an Employer or Related Company that is extended to the Participant immediately prior to the Participant's Date of Termination or, if no such plan is extended to the Participant on his or her Date of Termination, under the terms of any applicable retirement policy of the Participant's employer.
- (t) *SEC*. "SEC" shall mean the United States Securities and Exchange Commission.
- (u) *Stock*. The term "Stock" shall mean shares of common stock of the Company, par value \$0.01 per share.

### **SECTION 3**

#### **ELIGIBILITY**

3.1. The Committee shall determine and designate from time to time, from among the salaried, full-time officers and employees of the Employers those Employees who will be granted one or more awards under the Plan.

### **SECTION 4**

#### **OPERATION AND ADMINISTRATION**

4.1. Subject to the approval of the stockholders of the Company at the Company's 2004 annual meeting of the stockholders, the Plan, as amended and restated, shall be effective as of the date of such approval ("Effective Date"), provided however, that any awards made under the Plan, as amended and restated, prior to approval by stockholders, shall be contingent on approval of the Plan, as amended and restated, by stockholders of the Company and all dividends on such Awards shall be held by the Company and paid only upon such approval and all other rights of a Participant in connection with such an Award shall not be effective until such approval is obtained. The Plan will terminate (except with respect to then outstanding awards) on April 17, 2012, or, if shareholders approve the Plan, as amended and restated, at the 2004 annual meeting of stockholders, ten years from the date of such approval, provided however, that no Incentive Stock Options may be granted under the Plan on a date that is more than ten years from the Effective Date or, if earlier, the date the Plan is adopted by the Board.

4.2. The Plan shall be administered by the Committee which shall be selected by the Board in accordance with the charter of the Committee adopted by the Board. The authority to manage and control the operation and administration of the Plan is subject to the following:

- (a) Subject to the provisions of the Plan, the Committee will have the authority and discretion to select Employees to receive Awards, to determine the time or times of receipt, to determine the types of Awards and the number of shares covered by the Awards, to establish the terms, conditions, performance criteria, restrictions, and other provisions of such Awards, and to cancel or suspend Awards. In making such Award determinations, the Committee may take into account the nature of services rendered by the respective Employee, his or her present and potential contribution to the Company's success, and such other factors as the Committee deems relevant.
- (b) Subject to the provisions of the Plan, the Committee will have the authority and discretion to determine the extent to which Awards under the Plan will be structured to conform to the requirements applicable to Performance-Based Compensation as described in Code section 162(m), and to take such action, establish such procedures, and impose such restrictions at the time such awards are granted as the Committee determines to be necessary or appropriate to conform to such requirements.
- (c) The Committee will have the authority and discretion to interpret the Plan, to establish, amend, and rescind any rules relating to the Plan, to determine the terms and provisions of any agreements made pursuant to the Plan, and to make all other determinations that may be necessary or advisable for the administration of the Plan.
- (d) Any interpretation of the Plan by the Committee and any decision made by it under the Plan is final and binding on all persons.
- (e) Except as otherwise expressly provided in the Plan, where the Committee is authorized to make a determination with respect to any Award, such determination shall be made at the time the Award is granted; except that the Committee may reserve the authority to have such determination made by the Committee in the future (but only if such reservation is either made at the time the Award is granted and is stated in the Agreement reflecting the Award or, if the Agreement does not address the issue, is provided in the Plan); and further provided that the Committee may, in its discretion, accelerate the vesting, distribution, or settlement of any Award if such acceleration does not cause the imposition of penalties or accelerated recognition of income under section 409A of the Code.
- (f) Except to the extent prohibited by applicable law or the rules of any stock exchange, the Committee may allocate all or any portion of its responsibilities and powers to any one or more of its members and other than in respect to eligibility, times of Awards, and terms, conditions, performance criteria, restrictions and other provisions of Awards, and except as otherwise provided by the Committee from time to time, the Committee delegates its responsibilities and powers to the Vice President-Human Resources or his or her successor. Any such allocation or delegation may be revoked by the Committee at any time.
- (g) No member or authorized delegate of the Committee shall be liable to any person for any action taken or omitted in connection with the administration of the Plan unless attributable to his or her own fraud or willful misconduct; nor shall the Employers be

liable to any person for any such action unless attributable to fraud or willful misconduct on the part of a director or employee of the Employers. The Committee, the individual members thereof, and persons acting as the authorized delegates of the committee under the plan, shall be indemnified by the Employers (to the maximum extent permitted by law) against any and all liabilities, losses, costs and expenses (including legal fees and expenses) of whatsoever kind and nature which may be imposed on, incurred by or asserted against the Committee or its members or authorized delegates by reason of the performance of a Committee function if the Committee or its members or authorized delegates did not act dishonestly or in willful violation of the law or regulation under which such liability, loss, cost or expense arises. This indemnification shall not duplicate but may supplement any coverage available under any applicable by-law, contract or insurance.

4.3. Notwithstanding any other provision of the Plan to the contrary, no Participant shall receive any Award of an Option under the Plan to the extent that the sum of:

- (a) the number of shares of Stock subject to such Award;
- (b) the number of shares of Stock subject to all other prior Awards of Options under the Plan during the one-year period ending on the date of the Award; and
- (c) the number of shares of Stock subject to all other prior stock options granted to the Participant under other plans or arrangements of the Employers and Related Companies during the one-year period ending on the date of the Award;

would exceed the Participant's Individual Limit under the Plan. The determination made under the foregoing provisions of this subsection 4.3 shall be based on the shares subject to the awards at the time of grant, regardless of when the awards become exercisable. Subject to the provisions of Section 13, a Participant's "Individual Limit" shall be 1,000,000 shares per calendar year.

4.4. To the extent that the Committee determines that it is necessary or desirable to conform any Awards under the Plan with the requirements applicable to "Performance-Based Compensation," as that term is used in Code section 162(m)(4)(C), it may, at or prior to the time an Award is granted, take such steps and impose such restrictions with respect to such Award as it determines to be necessary to satisfy such requirements. To the extent that it is necessary to establish performance goals for a particular performance period, those goals will be based on one or more of the following business criteria: net income, earnings per share, debt reduction, safety, on-time train performance, return on investment, operating ratio, cash flow, return on assets, stockholders' return, revenue, customer satisfaction, and return on equity. If the Committee establishes performance goals for a performance period relating to one or more of these business criteria, the Committee may determine to approve a payment for that particular performance period upon attainment of the performance goal relating to any one or more of such criteria.

4.5. To the extent that the Plan and the Awards under the Plan are subject to the rules applicable to nonqualified deferred compensation plans under section 409A of the Code, such portion of the Plan and such awards are not intended to result in acceleration of income

recognition or imposition of penalty taxes by reason of section 409A, and the terms of such portion of the Plan and such awards shall be interpreted in a manner (and such portion of the Plan and such awards will be amended to the extent determined necessary or appropriate by the Committee) to avoid such acceleration and penalties.

## **SECTION 5**

### **SHARES AVAILABLE UNDER THE PLAN**

5.1 The shares of Stock with respect to which Awards may be made under the Plan shall be shares currently authorized but unissued or treasury shares acquired by the Company, including shares purchased in open market or in private transactions. Subject to the provisions of Section 12, the total number of shares of Stock available for grant of Awards shall not exceed forty-two million (42,000,000) shares of Stock. Except as otherwise provided herein, any shares subject to an Award which for any reason expires or is terminated without issuance of shares (whether or not cash or other consideration is paid to a Participant in respect to such Award) as well as shares used to pay an Option Purchase Price under this Plan or a predecessor plan shall again be available under the Plan.

## **SECTION 6**

### **OPTIONS**

6.1. The grant of an "Option" under this Section 6 entitles the Participant to purchase shares of Stock at a price fixed at the time the Option is granted, or at a price determined under a method established at the time the Option is granted, subject to the terms of this Section 6. Options granted under this section may be either Incentive Stock Options or Non-Qualified Stock Options, and subject to Sections 11 and 16, shall not be exercisable for six months from date of grant, as determined in the discretion of the Committee. An "Incentive Stock Option" is an Option that is intended to satisfy the requirements applicable to an "incentive stock option" described in section 422(b) of the Code. A "Non-Qualified Stock Option" is an Option that is not intended to be an "incentive stock option" as that term is described in section 422(b) of the Code.

6.2. The Committee shall designate the Participants to whom Options are to be granted under this Section 6 and shall determine the number of shares of Stock to be subject to each such Option. To the extent that the aggregate fair market value of Stock with respect to which Incentive Stock Options are exercisable for the first time by any individual during any calendar year (under all plans of the Company and all Related Companies) exceeds \$100,000, such options shall be treated as Non-Qualified Stock Options, to the extent required by section 422 of the Code.

6.3. The determination of the purchase price of a share of Stock under each Option and the payment of the purchase price of a share of Stock under each Option shall be subject to the following:

- (a) The purchase price of an Option shall be established by the Committee or shall be determined by a method established by the Committee at the time the Option is granted; provided, however, that in no event shall such price be less than Fair Market Value on the date of the grant.
- (b) Subject to the following provisions of this subsection 6.3, the full purchase price of each share of Stock purchased upon the exercise of any Option shall be paid at the time of such exercise and, as soon as practicable thereafter, a certificate representing the shares so purchased shall be delivered to the person entitled thereto.
- (c) The purchase price of an Option shall be payable in cash or in shares of Stock (valued at Fair Market Value as of the day of exercise).
- (d) A Participant may elect to pay the purchase price upon the exercise of an Option through a cashless exercise arrangement as may be established by the Company.
- (e) Except for either adjustments pursuant to Section 12 of the Plan (relating to the adjustments to shares), or reductions of the purchase price approved by the Company's stockholders, and subject to any applicable restrictions imposed by section 409A of the Code, the purchase price for any outstanding Option may not be decreased after the date of grant nor may an outstanding Option granted under the Plan be surrendered to the Company as consideration for the grant of a replacement Option with a lower purchase price.

6.4. Except as otherwise expressly provided in the Plan, the terms and conditions relating to the exercise of an Option shall be established by the Committee, and may include, without limitation, conditions relating to completion of a specified period of service, achievement of performance standards prior to exercise of the Option, or achievement of Stock ownership objectives by the Participant. No Option may be exercised by a Participant after the expiration date applicable to that Option.

6.5. The exercise period of any Option shall be determined by the Committee and shall not extend more than ten years after the Date of Grant.

6.6. In the event the Participant exercises an Option granted before February 28, 2005, under this Plan or a predecessor plan of the Company or a Related Company and pays all or a portion of the purchase price in Common Stock, in the manner permitted by subsection 6.3, such Participant, pursuant to the exercise of Committee discretion at the time the Option is exercised or to the extent previously authorized by the Committee, may be issued a new Option to purchase additional shares of Stock equal to the number of shares of Stock surrendered to the Company in such payment. Such new Option shall have an exercise price equal to the Fair Market Value per share on the date such new Option is granted, shall first be exercisable six months from the date of grant of the new Option and shall have an expiration date on the same date as the expiration date of the original Option so exercised by payment of the purchase price in shares of Stock. No new

Option shall be granted pursuant to this subsection 6.6 in connection with the exercise of any Option granted on or after February 28, 2005.

## SECTION 7

### RESTRICTED STOCK

7.1. Subject to the terms of this Section 7, Restricted Stock Awards under the Plan are grants of Stock to Participants, the vesting of which is subject to certain conditions established by the Committee, with some or all of those conditions relating to events (such as performance or continued employment) occurring after the date of grant, provided however that to the extent that vesting of a Restricted Stock Award is contingent on continued employment, then (i) the required employment period shall not be less than three years following the grant of the Award unless such grant is in substitution for an Award under this Plan or a predecessor plan of the Company or a Related Company, and (ii) the grant may provide for equal, annual, pro-rata vesting during the employment period.

7.2. The Committee shall designate the Participants to whom Restricted Stock is to be granted, and the number of shares of Stock that are subject to each such Award. In no event shall more than twelve million shares be granted under Sections 7, 8 and 9 of the Plan. The Award of shares under this Section 7 may, but need not, be made in conjunction with a cash-based incentive compensation program maintained by the Company, and may, but need not, be in lieu of cash otherwise awardable under such program, provided, however, that one million of the shares remaining to be granted under Sections 7, 8 and 9 of the Plan as of April 18, 2002, shall only be used for Awards of shares of Performance-Based Restricted Stock, performance-based Restricted Stock Units or Performance Stock or in lieu of cash otherwise awardable under such program.

7.3. Shares of Restricted Stock granted to Participants under the Plan shall be subject to the following terms and conditions:

- (a) Except as otherwise hereinafter provided, Restricted Stock granted to Participants may not be sold, assigned, transferred, pledged or otherwise encumbered during the Restricted Period. Except for such restrictions, the Participant as owner of such shares shall have all the rights of a stockholder, including but not limited to the right to vote such shares and, except as otherwise provided by the Committee or as otherwise provided by the Plan, the right to receive all dividends paid on such shares.
- (b) Each certificate issued in respect of shares of Restricted Stock granted under the Plan shall be registered in the name of the Participant and, at the discretion of the Committee, each such certificate may be deposited with the Company with a stock power endorsed in blank or in a bank designated by the Committee.
- (c) The Committee may award Performance-Based Restricted Stock, which shall be Restricted Stock that becomes vested (or for which vesting is accelerated) upon the achievement of performance goals established by the Committee. The Committee may

specify the number of shares that will vest upon achievement of different levels of performance. Except as otherwise provided by the Committee, achievement of maximum targets during the Performance Period shall result in the Participant's receipt of the full Performance-Based Restricted Stock Award. For achievement of the minimum target but less than the maximum target the Committee may establish a portion of the Award which the Participant is entitled to receive.

- (d) Except as otherwise provided by the Committee, any Restricted Stock which is not earned by the end of a Performance Period shall be forfeited. If a Participant's Date of Termination occurs during a Performance Period with respect to any Restricted Stock subject to a Performance Period granted to him or her, the Committee may determine that the Participant will be entitled to settlement of all or any portion of the Restricted Stock subject to a Performance Period as to which he or she would otherwise be eligible or make such other adjustments as the Committee, in its sole discretion, deems desirable. Subject to the limitations of the Plan and the Award of Restricted Stock, upon the vesting of Restricted Stock, such Restricted Stock will be transferred free of all restrictions to a Participant (or his or her legal representative, beneficiary or heir).

## **SECTION 8**

### **RESTRICTED STOCK UNITS**

8.1. Subject to the terms of this Section 8, a Restricted Stock Unit entitles a Participant to receive shares for the units at the end of a Restricted Period to the extent provided by the Award with the vesting of such units to be contingent upon such conditions as may be established by the Committee (such as continued employment which, when required, shall be not less than three years (although the grant may provide for equal, annual, pro-rata vesting during that period), or satisfaction of performance criteria). The Award of Restricted Stock Units under this Section 8 may, but need not, be made in conjunction with a cash-based incentive compensation program maintained by the Company, and may, but need not, be in lieu of cash otherwise awardable under such program, provided, however, that one million of the shares remaining to be granted under Sections 7, 8 and 9 of the Plan as of April 18, 2002, shall only be used for Awards of shares of Performance-Based Restricted Stock, performance-based Restricted Stock Units or Performance Stock or in lieu of cash otherwise awardable under such program.

8.2. The Committee shall designate the Participants to whom Restricted Stock Units shall be granted and the number of units that are subject to each such Award. In no event shall more than twelve million shares be granted under Sections 7, 8 and 9 of the Plan. During any period in which units are outstanding and have not been settled in stock, the Participant shall not have the rights of a stockholder, but shall have the right to receive a payment from the Company in lieu of a dividend in an amount equal to such dividends and at such times as dividends would otherwise be paid.

8.3. If a Participant's Date of Termination occurs during a Restricted Period with respect to any Restricted Stock Units granted to him or her, the Committee may determine that the

Participant will be entitled to settlement of all or any portion of the Restricted Stock Units as to which he or she would otherwise be eligible or make such other adjustments as the Committee, in its sole discretion, deems desirable.

## **SECTION 9**

### **PERFORMANCE STOCK**

9.1. Subject to the terms of this Section 9, a Performance Stock Award provides for the distribution of Stock to a Participant upon the achievement of performance objectives established by the Committee. For purposes of the Plan, the "Performance Period" with respect to any Award shall be the period over which the applicable performance is to be measured.

9.2. The Committee shall designate the Participants to whom Performance Stock Awards are to be granted, and the number of shares of Stock that are subject to each such Award. In no event shall more than twelve million shares be granted under Sections 7, 8 and 9 of the Plan. The Award of shares under this Section 9 may, but need not, be made in conjunction with a cash-based incentive compensation program maintained by the Company, and may, but need not, be in lieu of cash otherwise awardable under such program, provided, however, that one million of the shares remaining to be granted under Sections 7, 8 and 9 of the Plan as of April 18, 2002, shall only be used for Awards of shares of Performance-Based Restricted Stock, performance-based Restricted Stock Units or Performance Stock or in lieu of cash otherwise awardable under such program.

9.3. If a Participant's Date of Termination occurs during a Performance Period with respect to any Performance Stock granted to him or her, the Committee may determine that the Participant will be entitled to settlement of all or any portion of the Performance Stock as to which he or she would otherwise be eligible or make such other adjustments as the Committee, in its sole discretion, deems desirable.

## **SECTION 10**

### **STOCK PURCHASE PROGRAM**

10.1. The Committee may, from time to time, establish one or more programs under which Participants will be permitted to purchase shares of Stock under the Plan, and shall designate the Participants eligible to participate under such Stock purchase programs. The purchase price for shares of Stock available under such programs, and other terms and conditions of such programs, shall be established by the Committee. The purchase price may not be less than 85% of the Fair Market Value of the Stock at the time of purchase (or, in the Committee's discretion, the average Stock value over a period determined by the Committee), and the purchase price may not be less than par value. Issuances under the Stock purchase programs authorized under this Section 10.1 shall not exceed a cumulative total of 400,000 shares subsequent to April 17, 2002.

10.2. The Committee may impose such restrictions with respect to shares purchased under this section, as the Committee determines to be appropriate. Such restrictions may include, without limitation, restrictions of the type that may be imposed with respect to Restricted Stock under Section 7.

## **SECTION 11**

### **TERMINATION OF EMPLOYMENT**

11.1 If a Participant's Date of Termination occurs for any reason other than death, Disability, Retirement, or by reason of the Participant's employment being terminated by the Participant's employer for any reason other than Cause, all outstanding Awards shall be forfeited.

11.2 If a Participant's Date of Termination occurs by reason of death, all Options outstanding immediately prior to the Participant's Date of Termination shall immediately become exercisable and all restrictions on Restricted Stock, Restricted Stock Units, Performance Stock and shares purchased under the Stock Purchase Program outstanding immediately prior to the Participant's Date of Termination shall lapse.

11.3 If a Participant's Date of Termination occurs by reason of Disability or Retirement, the Restricted Period shall lapse on a proportion of any Awards outstanding immediately prior to the Participant's Date of Termination (except that to the extent an Award of Restricted Stock, Restricted Stock Units or Performance Stock is subject to a Performance Period, such proportion of the Award shall remain subject to the same terms and conditions for vesting as were in effect prior to termination). The proportion of an Award upon which the Restricted Period shall lapse shall be a fraction, the denominator of which is the total number of months of any Restricted Period applicable to an Award and the numerator of which is the number of months of such Restricted Period which elapsed prior to the Date of Termination.

11.4 If a Participant's Date of Termination occurs by reason of the Participant's employment being terminated by the Participant's employer for any reason other than for Cause, the Restricted Period shall lapse on a proportion of any outstanding Awards (except that to the extent an Award of Restricted Stock, Restricted Stock Units or Performance Stock is subject to a Performance Period, such proportion of the Award shall remain subject to the same terms and conditions for vesting as were in effect prior to termination). The proportion of an Award upon which the Restricted Period shall lapse shall be a fraction, the denominator of which is the total number of months of any Restricted Period applicable to an Award and the numerator of which is the number of months of such Restricted Period which elapsed prior to the Date of Termination.

11.5 Non-Qualified Stock Options which are exercisable at the time of (or become exercisable by reason of) the Participant's death, Disability, Retirement, or other termination of employment by the Participant's employer for reasons other than Cause shall expire on the expiration date set forth in the award or, if earlier, five years after the Date of Termination, if the

Participant's termination occurs because of death, Disability, or Retirement or if the Participant's employment is terminated by the Participant's employer for reasons other than Cause.

Incentive Stock Options which are exercisable at the time of (or become exercisable by reason of) the Participant's death, Disability, Retirement, or other termination of employment by the Participant's employer for reasons other than Cause and not exercised prior to the Date of Termination shall be treated as Non-Qualified Stock Options on the day following the Date of Termination and shall expire on the expiration date set forth in the award or, if earlier, five years after the Date of Termination, if the Participant's termination occurs because of death, Disability, or Retirement or if the Participant's employment is terminated by the Participant's employer for reasons other than Cause.

11.6 If a Participant's employment is terminated by the Participant's employer for reasons other than Cause in connection with a merger, consolidation, acquisition of common control, or business combination of the Company and a Class I Railroad or a holding company of a Class I Railroad:

- (a) All outstanding options then held by the Participant shall become exercisable on the Participant's Date of Termination.
- (b) Any restrictions on awards held by the Participant as of the Participant's Date of Termination shall lapse and all Awards vested as if all performance objectives have been attained.

11.7 Except to the extent the Committee shall otherwise determine, if as a result of a sale or other transaction, a Participant's employer ceases to be a Related Company (and the Participant's employer is or becomes an entity that is separate from the Company), the occurrence of such transaction shall be treated as the Participant's Date of Termination caused by the Participant being discharged by the Employer other than for cause.

11.8 Notwithstanding the foregoing provisions of this section, the Committee may, with respect to any Awards of a Participant (or portion thereof) that are outstanding immediately prior to the Participant's Date of Termination, determine that a Participant's Date of Termination will not result in forfeiture or other termination of the Award.

## **SECTION 12**

### **ADJUSTMENTS TO SHARES**

12.1 If the Company shall effect a reorganization, merger, or consolidation, or similar event or effect any subdivision or consolidation of shares of Stock or other capital readjustment, payment of stock dividend, stock split, spin-off, combination of shares or recapitalization or other increase or reduction of the number of shares of Stock outstanding without receiving compensation therefor in money, services or property, then the Committee shall adjust (i) the number of shares of Stock available under the Plan; (ii) the number of shares available under any

individual or other limits; (iii) the number of shares of Stock subject to outstanding Awards; and (iv) the per-share price under any outstanding Award to the extent that the Participant is required to pay a purchase price per share with respect to the Award.

12.2 If the Committee determines that the adjustments in accordance with the foregoing provisions of this section would not be fully consistent with the purposes of the Plan or the purposes of the outstanding Awards under the Plan, the Committee may make such other adjustments to the Awards to the extent that the Committee determines such adjustments are consistent with the purposes of the Plan and of the affected Awards.

## **SECTION 13**

### **TRANSFERABILITY OF AWARDS**

13.1 Awards under the Plan are not transferable except as designated by the Participant by will or by the laws of descent and distribution. To the extent that the Participant who receives an Award under the Plan has the right to exercise such Award, the Award may be exercised during the lifetime of the Participant only by the Participant. Notwithstanding the foregoing provisions of this Section 13, the Committee may permit Awards under the Plan (other than an Incentive Stock Option) to be transferred by a Participant for no consideration to or for the benefit of the Participant's Immediate Family (including, without limitation, to a trust for the benefit of a Participant's Immediate Family or to a Family Partnership for members of the Immediate Family), subject to such limits as the Committee may establish, and the transferee shall remain subject to all of the terms and conditions applicable to such Award prior to such transfer.

## **SECTION 14**

### **AWARD AGREEMENT**

14.1 Each employee granted an Award pursuant to the Plan shall execute an Award Agreement which signifies in writing, electronically or by such other means as the Company may designate, the offer of the Award by the Company and the acceptance of the Award by the employee in accordance with the terms of the Award and the provisions of the Plan. Each Award Agreement shall reflect the terms and conditions of the Award. In the event of a disagreement between the individual Award Agreement and the Plan or the Compensation and Development Committee resolution, the Plan or the resolution will govern. Participation in the Plan shall confer no rights to continued employment with the Company nor shall it restrict the right of the Company to terminate a Participant's employment at any time.

## **SECTION 15**

### **TAX WITHHOLDING**

15.1 All Awards and other payments under the Plan are subject to withholding of all applicable taxes, which withholding obligations shall be satisfied (without regard to whether the Participant has transferred an Award under the Plan) by a cash remittance, or with the consent of the Committee, through the surrender of shares of Stock which the Participant owns or to which the Participant is otherwise entitled under the Plan pursuant to an irrevocable election submitted by the Participant to the Company at the office designated for such purpose, provided that if shares are used for awards granted on or after July 1, 2000, shares from the Stock Awards may be used only in an amount equal to the minimum applicable tax withholding rate as established by the Internal Revenue Code and relevant state or local tax authorities, and any additional amount due must be satisfied by use of attestation of ownership of other shares. The number of shares of Stock needed to be submitted in payment of the taxes shall be determined using the Fair Market Value as of the applicable tax date rounding down to the nearest whole share; provided that no election to have shares of Stock withheld from an Award or submission of shares shall be effective with respect to an Award which was transferred by a Participant in accordance with the Plan.

## **SECTION 16**

### **TERMINATION AND AMENDMENT**

16.1. The Board may suspend, terminate, modify or amend the Plan, provided that any amendment that would increase the aggregate number of shares which may be issued under the Plan; materially increase the benefits accruing to Participants under the Plan; modify Section 6.3(e) or materially modify the requirements as to eligibility for participation in the Plan, shall be subject to the approval of the Company's stockholders, except that any such increase or modification that may result from adjustments authorized by Section 12 does not require such approval. No suspension, termination, modification or amendment of the Plan may terminate a Participant's existing Award or materially and adversely affect a Participant's rights under such Award without the Participant's consent.

**BURLINGTON NORTHERN SANTA FE  
1999 STOCK INCENTIVE PLAN**

**INCENTIVE BONUS STOCK PROGRAM AWARD AGREEMENT**

This Agreement ("Agreement") was made and entered into this 16th day of February, 2005 by and between Burlington Northern Santa Fe Corporation, a Delaware Corporation, (hereinafter "BNSF") and

**[Employee's Name]**

an employee of BNSF or one of its subsidiary companies (hereinafter "Employee").

**W I T N E S S E T H**

BNSF has adopted the Burlington Northern Santa Fe 1999 Stock Incentive Plan (the "Plan") for Burlington Northern Santa Fe Corporation and Affiliated Companies. The purpose of the Plan is to attract and retain salaried employees possessing outstanding ability, to motivate salaried employees to achieve the growth goals of BNSF by making a portion of their total compensation dependent on the accomplishment of these goals, and to further the identity of salaried employees of BNSF and its subsidiaries with the interests of the BNSF shareholders by increasing the opportunities for these salaried employees to become shareholders.

WHEREAS, the Compensation and Development Committee ("Committee") of the Board of Directors wishes to encourage superior performance by the Employee by granting Employee an award of Restricted Stock as defined in the Plan;

WHEREAS, the Employee understands that this grant is to help such Employee to achieve share ownership goals as may be established by BNSF and agrees to attain such goals; and

WHEREAS, the Employee desires to perform services for BNSF and to accept said grant in accordance with the terms and provisions of the Plan and this Agreement;

NOW THEREFORE, BNSF grants to the Employee **# of shares** shares of Restricted Stock subject to vesting at the end of the Restricted Period, which is February 16, 2008.

BNSF and Employee hereby agree that this Award of Restricted Stock shall be subject to the following terms, conditions and restrictions:

1. §83(b) Elections. The Employee shall not make any elections to which he or she may be entitled pursuant to §83(b) of the Internal Revenue Code, as amended, that is to elect to

recognize income on the date of this grant.

2. No Assignment. The Restricted Stock shall not be sold, pledged, assigned, transferred, or encumbered during the period the stock is subject to restrictions. The Restricted Stock shall not be permitted to be used in payment of a stock option exercise for a period of six months following the lapse of restrictions.

3. Stock Left on Deposit. Each certificate of Restricted Stock awarded hereunder shall be registered in the name of the Employee and left on deposit with BNSF with a Stock Power endorsed in blank during the Restricted Period.

4. Stockholder Rights; Termination. The Employee shall have the right to receive dividends paid on the Restricted Stock and to vote such Restricted Stock during the Restricted Period. Subject to paragraph 7, all such Restricted Stock is subject to forfeiture upon retirement or termination of employment for any reason other than death, Disability, or termination by the Employer other than for Cause. In the event of an Employee's Date of Termination due to death, all restrictions shall lapse. In the event of an Employee's Date of Termination due to Disability or termination by the Employer other than for Cause, the restrictions shall lapse on a proportion of the Award outstanding prior to termination and the balance of the Award shall be forfeited. The employee shall have such further rights as described in the Burlington Northern Santa Fe Incentive Bonus Stock Program.

5. Payment of Tax Liabilities. The Employee agrees that BNSF or its subsidiaries may require payment by Employee of federal, state, railroad retirement or local taxes upon the vesting of this Award. Employee may use cash or shares to satisfy tax liabilities incurred, provided that if shares are used, shares from this Award may be used only to an amount equal to the Supplemental Federal Income Tax Withholding Rate as established by the Internal Revenue Code and any additional amount due must be satisfied by use of attestation of ownership of other shares.

6. Change in Capitalization. In the event of a change in the capitalization of BNSF due to a stock split, stock dividend, recapitalization, merger, consolidation, combination, or similar event, the aggregate shares subject to the Plan and the terms of any existing Awards shall be adjusted to reflect such change, pursuant to the terms of the Plan.

7. Change in Control. If a Change in Control as defined in the Plan occurs while an Award of Restricted Stock remains outstanding under the Plan, all restrictions shall lapse and all Restricted Stock shall be fully vested.

8. No Right of Employment. Nothing in this Agreement or in the Plan shall confer any right to continue employment with BNSF or its subsidiaries nor restrict BNSF or its subsidiaries from termination of the employment relationship of Employee at any time.

9. No Violation of Law. Notwithstanding any other provision of this Agreement, Employee agrees that BNSF shall not be obligated to deliver any shares of Common Stock or make any cash payment, if counsel to BNSF determines such exercise, delivery or payment



**Replacement Capital Covenant**, dated as of December 15, 2005 (this “*Replacement Capital Covenant*”), by Burlington Northern Santa Fe Corporation, a Delaware corporation (together with its successors and assigns, the “*Corporation*”), in favor of and for the benefit of each Covered Debtholder (as defined below).

**Recitals**

A. On the date hereof, the Corporation is issuing \$500,010,000 aggregate principal amount of its 6.613% Fixed Rate/Floating Rate Junior Subordinated Notes due December 15, 2055 (the “*Notes*”) to BNSF Funding Trust I (the “*Trust*”).

B. On the date hereof, the Trust is issuing 500,000 shares of its 6.613% Fixed Rate/Floating Rate Trust Preferred Securities (the “*Trust Preferred Securities*”) and together with the Notes, the “*Securities*”).

C. This Replacement Capital Covenant is the “Replacement Capital Covenant” referred to in the Prospectus Supplement, dated December 12, 2005, relating to the Trust Preferred Securities.

D. The Corporation desires that the covenants provided in this Replacement Capital Covenant be enforceable by each Covered Debtholder (as defined herein) and that the Corporation be estopped from disregarding the covenants in this Replacement Capital Covenant, in each case to the fullest extent permitted by applicable law.

**NOW, THEREFORE**, the Corporation hereby covenants and agrees as follows in favor of and for the benefit of each Covered Debtholder.

SECTION 1. *Definitions*. Capitalized terms used in this Replacement Capital Covenant (including the Recitals), have the meanings set forth in Schedule I hereto.

SECTION 2. *Limitations on Redemption and Repurchase of Securities*. The Corporation hereby promises and covenants to and for the benefit of each Covered Debtholder that the Corporation shall not, and shall cause the Trust not to, redeem or repurchase all or any part of the Securities on or before December 15, 2040 except to the extent that the total redemption or repurchase price therefor is equal to or less than the sum of (a) the Applicable Percentage of the aggregate net cash proceeds received by the Corporation or its Subsidiaries from non-affiliates during the 180 days prior to the applicable redemption or repurchase date from the issuance and sale of Common Stock plus (b) 100% of the aggregate net cash proceeds received by the Corporation or its Subsidiaries from non-affiliates during the 180 days prior to the applicable redemption or repurchase date from the issuance and sale of Replacement Capital Securities (other than Common Stock). For the avoidance of doubt, persons covered by Corporation’s dividend reinvestment plan and employee benefit plans shall be deemed non-affiliates for purposes of this Section 2.

SECTION 3. *Covered Debt.* (a) The Corporation represents and warrants that the Initial Covered Debt is Eligible Debt.

(b) (i) During the period commencing on the earlier of (x) the date two years and 30 days prior to the final maturity date for the then effective Covered Debt and (y) the date on which the Corporation gives notice of redemption of the then effective Covered Debt if such redemption is in whole or in part and, after giving effect to such redemption, the outstanding principal of such Covered Debt would be less than \$100,000,000, or (ii) if earlier than the date specified in clauses (x) and (y) of this Section 3(b)(i), on the date on which the Corporation or a Subsidiary of the Corporation repurchases the then effective Covered Debt in whole or in part and, after giving effect to such repurchase, the outstanding principal amount of such Covered Debt would be less than \$100,000,000, the Corporation shall identify the series of its Eligible Debt that will become the Covered Debt on the related Redesignation Date in accordance with the following procedures:

(A) the Corporation shall identify each series of its then outstanding long-term indebtedness for money borrowed that is Eligible Debt;

(B) if only one series of the Corporation's then outstanding long-term indebtedness for money borrowed is Eligible Debt, such series shall become the Covered Debt commencing on the related Redesignation Date;

(C) if the Corporation has more than one outstanding series of long-term indebtedness for money borrowed that is Eligible Debt, then the Corporation shall identify the series that has the latest occurring final maturity date as of the date the Corporation is applying the procedures in this Section 3(b) and such series shall become the Covered Debt on the upcoming Redesignation Date;

(D) the series of the Corporation's then outstanding long-term indebtedness for money borrowed that is determined to be Covered Debt pursuant to clause (B) or (C) above shall be the Covered Debt for purposes of this Replacement Capital Covenant for the period commencing on the related Redesignation Date and continuing to but not including the Redesignation Date as of which a new series of the Corporation's outstanding long-term indebtedness is next determined to be the Covered Debt pursuant to the procedures set forth in this Section 3(b);

(E) in connection with such identification of a new series of Covered Debt, the Corporation shall give the notice provided for in Section 4 within the time frame provided for in such section.

(c) Notwithstanding any other provisions of this Replacement Capital Covenant, if on any date the Corporation has then outstanding one or more series of Eligible Subordinated Debt, such one or more series of Eligible Subordinated Debt shall be identified as Covered Debt in accordance with Section 3(b) and no Eligible Senior Debt shall then be Covered Debt.

SECTION 4. *Notice.* The Corporation covenants that:

(a) simultaneous with the execution of this Replacement Capital Covenant or as soon as practicable after the date hereof, the Corporation shall give notice to the Holders of the Initial Covered Debt, in the manner provided in the indenture relating to the Initial Covered Debt, of this Replacement Capital Covenant and the rights granted to such Holders hereunder;

(b) within 30 days after a series of the Corporation's long-term indebtedness for money borrowed (1) becomes Covered Debt or (2) ceases to be Covered Debt, give notice of such occurrence to the holders of such long-term indebtedness for money borrowed in the manner provided for in the indenture, fiscal agency agreement or other instrument under which such long-term indebtedness for money borrowed was issued and, thereafter, publicly announce such occurrence in the Corporation's quarterly report on Form 10-Q or Form 10-K, as applicable (or any successor to such forms), that immediately follows the giving of such notice;

(c) promptly upon request by any Holder of Covered Debt, provide such Holder with an executed copy of this Replacement Capital Covenant.

SECTION 5. *Term.* (a) The obligations of the Corporation pursuant to this Replacement Capital Covenant shall remain in full force and effect until the earliest date (the "*Termination Date*") to occur of (i) December 15, 2040, (ii) with respect to particular series of Covered Debt, the date, if any, on which the Holders of at least 51% by principal amount of each of such Covered Debt consent or agree in writing to the elimination of such covenants as covenants in favor of such Holders and (iii) the date on which the Corporation has no outstanding Eligible Senior Debt or Eligible Subordinated Debt (in each case without giving effect to the rating requirement in clause (iv) of the definition of each such term). From and after the Termination Date, the obligations of the Corporation pursuant to this Replacement Capital Covenant shall be of no further force and effect with respect to such Holders, or otherwise.

(b) For purposes of Section 5(a), the Holders whose consent or agreement is required to terminate the covenants in Section 2 shall be the Holders of the then effective Covered Debt as of a record date established by the Corporation that is not more than 30 days prior to the date on which the Corporation proposes to cause the covenants in Section 2 to be of no further force and effect.

SECTION 6. *Miscellaneous.* (a) **This Replacement Capital Covenant shall be governed by and construed in accordance with the laws of the State of New York without regard to choice of law principles.**

(b) This Replacement Capital Covenant shall be binding upon the Corporation and its successors and assigns and shall inure to the benefit of the Covered Debtholders as they exist from time-to-time (it being understood and agreed by the Corporation that any Person who is a Covered Debtholder at the time such Person acquires or sells Covered Debt shall retain its status as a Covered Debtholder for so long as the series of long-term indebtedness for borrowed money of the Corporation owned by such Person is Covered Debt and, if such Person initiates a claim or proceeding to enforce its rights under this Replacement Capital Covenant after the Corporation has violated its covenants in Section 2 and before the series of long-term indebtedness for

money borrowed held by such Person is no longer Covered Debt, such Person's rights under this Replacement Capital Covenant shall not terminate by reason of such series of long-term indebtedness for money borrowed no longer being Covered Debt).

(c) The Corporation acknowledges that reliance by each Covered Debtholder upon the covenants in this Replacement Capital Covenant is reasonable and foreseeable by the Corporation and that, were the Corporation to disregard its covenants in this Replacement Capital Covenant, each Covered Debtholder would have sustained an injury as a result of its reliance on such covenants.

(d) All demands, notices, requests and other communications to the Corporation under this Replacement Capital Covenant shall be deemed to have been duly given and made if in writing and (i) if served by personal delivery upon the Corporation, on the day so delivered (or, if such day is not a Business Day, the next succeeding Business Day), (ii) if delivered by registered post or certified mail, return receipt requested, or sent to the Corporation by a national or international courier service, on the date of receipt by the Corporation (or, if such date of receipt is not a Business Day, the next succeeding Business Day), or (iii) if sent by telecopier, on the day telecopied, or if not a Business Day, the next succeeding Business Day, provided that the telecopy is promptly confirmed by telephone confirmation thereof, and in each case to the Corporation at the address set forth below, or at such other address as the Corporation may thereafter post on its website as the address for notices under this Replacement Capital Covenant:

Burlington Northern Santa Fe Corporation  
2650 Lou Menk Drive  
Forth Worth, Texas 76131-2830  
(800) 795-2673

**IN WITNESS WHEREOF**, the Corporation has caused this Replacement Capital Covenant to be executed by its duly authorized officer, as of the day and year first above written.

Burlington Northern Santa Fe Corporation

By: /s/ Linda J. Hurt\_\_\_\_\_

Linda J. Hurt  
Assistant Vice President-  
Finance and Treasurer of the  
Company

## Definitions

“*Alternative Payment Mechanism*” means, with respect to any securities or combination of securities referred to in the definition of Replacement Capital Securities, that such securities or related transaction agreements include a provision, substantially similar to Section 5.4 of the First Supplemental Indenture, to the effect that (i) if required by a Mandatory Trigger Provision or if the Corporation has exhausted its rights to defer Distributions at its option pursuant to an Optional Deferral Provision, the Corporation shall, unless a Market Disruption Event has occurred and is continuing, (a) issue and sell shares of its common stock and/or Qualifying Preferred Stock in amount such that the net proceeds of such sale shall equal or exceed such Distributions and (b) apply the net proceeds of such sale to pay Distributions to be paid in full, or (ii) if permitted, but not required, by a Mandatory Trigger Provision, the Corporation may (a) issue and sell shares of its common stock and/or Qualifying Preferred Stock in amount such that the net proceeds of such sale shall equal or exceed such Distributions and (b) apply the net proceeds of such sale to pay Distributions to be paid in full, provided that the aggregate net proceeds from the issuance or sale of Qualifying Preferred Stock that may be used to pay Distributions shall not exceed 25% of the aggregate initial principal amount of the Notes.

“*Applicable Percentage*” means, in respect of any issuance and sales of Common Stock during the 180 days prior to the date of redemption or repurchase of any Securities, (a) if such Securities are redeemed or repurchased after December 15, 2005 and on or before December 15, 2025, 133.33%, (b) if such Securities are redeemed or repurchased after December 15, 2025 and on or prior to December 15, 2035, 200.00%, and (c) if such Securities are redeemed or repurchased after December 15, 2035 and on or prior to December 15, 2040, 400.00%.

“*Business Day*” means each day other than (i) a Saturday or Sunday or (ii) a day on which banking institutions in the City of New York are authorized or obligated by law, regulation or executive order to close.

“*Commission*” means the United States Securities and Exchange Commission.

“*Common Stock*” means common stock of the Corporation (including treasury shares of common stock and shares of common stock sold pursuant to the Corporation’s dividend reinvestment plan and employee benefit plans).

“*Corporation*” has the meaning specified in the introduction to this instrument.

“*Covered Debtholder*” means each Person (whether a Holder or a beneficial owner holding through a participant in a clearing agency) that buys, holds or sells long-term indebtedness for money borrowed of the Corporation during the period that such long-term indebtedness for money borrowed is Covered Debt.

“*Covered Debt*” means (i) at the date of this Replacement Capital Covenant and continuing to but not including the first Redesignation Date, the Initial Covered Debt and

(ii) thereafter, commencing with each Redesignation Date and continuing to but not including the next succeeding Redesignation Date, the Eligible Debt identified pursuant to Section 3(b) as the Covered Debt for such period.

“*Distribution Date*” means, as to any securities or combination of securities, the dates on which periodic Distributions on such securities are scheduled to be made.

“*Distribution Period*” means, as to any securities or combination of securities, each period from and including a Distribution Date for such securities to but not including the next succeeding Distribution Date for such securities.

“*Distributions*” means, as to a security or combination of securities, dividends, interest payments or other income distributions to the holders thereof that are not Subsidiaries of the Corporation.

“*Eligible Debt*” means, at any time, Eligible Subordinated Debt or if no Eligible Subordinated Debt is then outstanding, Eligible Senior Debt.

“*Eligible Senior Debt*” means, at any time, each series of the Corporation’s then outstanding long-term indebtedness for money borrowed that (i) upon a bankruptcy, liquidation, dissolution or winding up of the Corporation, ranks most senior among the Corporation’s then outstanding classes of indebtedness for money borrowed, (ii) is then assigned a rating by at least one NRSRO (provided that this clause shall apply on a Redesignation Date only if on such date the Corporation has outstanding senior long-term indebtedness for money borrowed that satisfies the requirements of clauses (i), (iii) and (iv) that is then assigned a rating by at least one NRSRO), (iii) has an outstanding principal amount of not less than \$100,000,000, and (iv) was issued through or with the assistance of a commercial or investment banking firm or firms acting as underwriters, initial purchasers or placement or distribution agents. For purposes of this definition as applied to securities with a CUSIP number, each issuance of long-term indebtedness for money borrowed of the Corporation that has (or, if such indebtedness is held by a trust or other intermediate entity established directly or indirectly by the Corporation, the securities of such intermediate entity have) a separate CUSIP number shall be deemed to be a series of the Corporation’s long-term indebtedness for money borrowed that is separate from each other series of such indebtedness.

“*Eligible Subordinated Debt*” means, at any time, each series of the Corporation’s then outstanding long-term indebtedness for money borrowed that (i) upon a bankruptcy, liquidation, dissolution or winding up of the Corporation, ranks subordinate to the Corporation’s then outstanding series of indebtedness for money borrowed that ranks most senior, (ii) is then assigned a rating by at least one NRSRO (provided that this clause (ii) shall apply on a Redesignation Date only if on such date the Corporation has outstanding subordinated long-term indebtedness for money borrowed that satisfies the requirements in clauses (i), (iii) and (iv) that is then assigned a rating by at least one NRSRO), (iii) has an outstanding principal amount of not less than \$100,000,000, and (iv) was issued through or with the assistance of a commercial or investment banking firm or firms acting as underwriters, initial purchasers or placement or distribution

agents. For purposes of this definition as applied to securities with a CUSIP number, each issuance of long-term indebtedness for money borrowed of the Corporation that has (or, if such indebtedness is held by a trust or other intermediate entity established directly or indirectly by the Corporation, the securities of such intermediate entity have) a separate CUSIP number shall be deemed to be a series of the Corporation's long-term indebtedness for money borrowed that is separate from each other series of such indebtedness.

*"Explicit Replacement Covenant"* means, as to any security or combination of securities, that the Corporation has made a covenant, substantially similar to the Replacement Capital Covenant to the effect that the Corporation will redeem or repurchase such securities only if and to the extent that the total redemption or repurchase price is equal to or less than the Replacement Capital Securities as defined herein but as applied to such securities instead of to the Securities, and that the Corporation has reasonably determined, after consultation with counsel, that such covenant is binding on the Corporation for the benefit of one or more series of the Corporation's long-term indebtedness for money borrowed.

*"First Supplemental Indenture"* means the First Supplemental Indenture, dated as of December 15, 2005, between the Corporation and U.S. Bank Trust National Association, as trustee thereunder.

*"Holder"* means, as to the Covered Debt then in effect, each holder of such Covered Debt as reflected on the securities register maintained by or on behalf of the Corporation with respect to such Covered Debt.

*"Indenture"* means the Indenture, dated as of December 8, 2005, between the Corporation and U.S. Bank Trust National Association, as trustee thereunder, as amended, supplemented or otherwise modified by the First Supplemental Indenture.

*"Initial Covered Debt"* means the Corporation's 7.25% Debentures due August 1, 2097, CUSIP No. 12189TAF1.

*"Intent-Based Replacement Disclosure"* means, as to any security or combination of securities, that the Corporation has publicly stated its intention, either in the prospectus or other offering document under which such securities were initially offered for sale or in filings with the Commission made by the Corporation under the Securities Exchange Act prior to or contemporaneously with the issuance of such securities, that the Corporation will redeem or repurchase such securities only with Replacement Capital Securities, as defined herein but as applied to such securities instead of to the Securities, raised within 180 days prior to the applicable redemption or repurchase date.

*"Mandatory Trigger Provision"* means, as to any security or combination of securities, a provision in the terms thereof or of the related transaction agreements to the effect that (i) if Distributions are cumulative, the Corporation is required to settle Distributions on such securities pursuant to the Alternative Payment Mechanism or (ii) if Distributions are non-cumulative, the Corporation is permitted to settle Distributions on

such securities pursuant to the Alternative Payment Mechanism, in each case, if the Corporation fails to satisfy one or more financial tests set forth in the terms of such securities or related transaction agreements.

“*Market Disruption Event*” means the occurrence or existence of any of the following events or sets of circumstances:

(a) trading in securities generally on the New York Stock Exchange or any other national securities exchange or over-the-counter market on which the Corporation’s common stock or preferred stock is then listed or traded shall have been suspended or its settlement generally shall have been materially disrupted;

(b) the Corporation would be required to obtain the consent or approval of a regulatory body (including, without limitation, any securities exchange) or governmental authority to issue shares of the Corporation’s common stock or perpetual non-cumulative preferred stock and the Corporation fails to obtain that consent or approval notwithstanding the Corporation’s commercially reasonable efforts to obtain that consent or approval; or

(c) an event occurs and is continuing as a result of which the offering document for the offer and sale of the Corporation’s common stock or perpetual non-cumulative preferred stock would, in the Corporation’s reasonable judgment, contain an untrue statement of a material fact or omit to state a material fact required to be stated in that offering document or necessary to make the statements in that offering document not misleading and either (a) the disclosure of that event at the time the event occurs, in the Corporation’s reasonable judgment, would have a material adverse effect on the Corporation’s business or (b) the disclosure relates to a previously undisclosed proposed or pending material business transaction, the disclosure of which would impede the Corporation’s ability to consummate that transaction, provided that one or more events described in this subsection (c) shall not constitute a Market Disruption Event with respect to more than one interest payment date.

“*Non-Cumulative Preferred Stock*” means preferred stock having Distributions which may be skipped by the issuer thereof for any number of distribution periods without any remedy arising under the terms of such securities or related transaction agreements in favor of the holders of such securities as a result of such issuer’s failure to pay Distributions, other than Permitted Remedies.

“*NRSRO*” means a nationally recognized statistical rating organization within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Securities Exchange Act.

“*Optional Deferral Provision*” means, as to any security or combination of securities, a provision in the terms thereof or of the related transaction agreements, substantially similar to Section 4.1 of the First Supplemental Indenture, to the effect that the issuer thereof may, in its sole discretion, defer in whole or in part payment of Distributions on such securities for one or more consecutive Distribution Periods of up to

five years or, if a Market Disruption Event is then continuing, ten years, without any remedy other than Permitted Remedies as a result of such issuer's failure to pay Distributions.

*"Permitted Remedies"* means, as to any security or combination of securities, any one or more of (i) rights in favor of the holders thereof permitting such holders to elect one or more directors of the Corporation (including any such rights required by the listing requirements of any stock or securities exchange on which such securities may be listed or traded), (ii) prohibitions on the Corporation paying Distributions on or repurchasing common stock or other securities that rank junior as to Distributions to such securities for so long as Distributions on such securities, including deferred distributions, have not been paid in full or to such lesser extent as may be specified in the terms of such securities, and (iii) provisions obliging the Corporation to cause such unpaid Distributions to be paid in full pursuant to an Alternative Payment Mechanism.

*"Person"* means any individual, corporation, partnership, joint venture, trust, limited liability company or corporation, unincorporated organization or government or any agency or political subdivision thereof.

*"Qualifying Preferred Stock"* means preferred stock of the Corporation that (i) rank pari passu with or junior to the Securities, (ii) are perpetual with no prepayment obligation on the part of the issuer thereof, whether at the election of the holders or otherwise, (iii) are Non-Cumulative Preferred Stock and (iv) either (a) whether by its terms or when taken together with any related transaction agreement, includes an Explicit Replacement Covenant or (b) includes a Mandatory Trigger Provision.

*"Redesignation Date"* means, as to the then effective Covered Debt, the earliest of (i) the date that is two years prior to the final maturity date of such Covered Debt, (ii) if the Corporation elects to redeem, or the Corporation or a Subsidiary of the Corporation elects to repurchase, such Covered Debt either in whole or in part with the consequence that after giving effect to such redemption or repurchase the outstanding principal amount of such Covered Debt is less than \$100,000,000, the applicable redemption or repurchase date and (iii) if the then outstanding Covered Debt is not Eligible Subordinated Debt, the date on which the Corporation issues long-term indebtedness for money borrowed that is Eligible Subordinated Debt.

*"Replacement Capital Covenant"* has the meaning specified in the introduction to this instrument.

*"Replacement Capital Securities"* shall mean:

(a) with respect to Securities that are redeemed or repurchased after December 15, 2005 and on or prior to December 15, 2025,

(i) Common Stock;

(ii) Non-Cumulative Preferred Stock having either:

(A) no maturity or a maturity of at least 60 years and (1) an Explicit Replacement Covenant or (2) a Mandatory Trigger Provision and Intent-Based Replacement Disclosure; or

(B) no maturity or a maturity of at least 40 years and both (1) an Explicit Replacement Covenant and (2) a Mandatory Trigger Provision;

(iii) cumulative preferred stock with

(A) no prepayment obligation on the part of the issuer thereof, whether at the election of the holders or otherwise; and

(B) a requirement that the Preferred Stock converts into common stock of the Corporation within three years from the date of issuance; or

(iv) other securities that:

(A) rank upon on a liquidation, dissolution or winding-up of the Corporation either (1) pari passu with or junior to the Notes or (2) pari passu with the claims of the Corporation's trade creditors and junior to all of the Corporation's long-term indebtedness for money borrowed (other than the Corporation's long-term indebtedness for money borrowed from time to time outstanding that by its terms ranks pari passu with such securities on a liquidation, dissolution or winding-up of the Corporation); and

(B) include distribution deferral provisions in the terms thereof or of the related transaction agreements, substantially similar to Sections 4.1 and 4.2 of the First Supplemental Indenture; and

(C) either (1) have no maturity or a maturity of at least 60 years and Intent-Based Replacement Disclosure, or (2) have no maturity or a maturity of at least 40 years and an Explicit Replacement Covenant;

(b) with respect to Securities that are redeemed or repurchased after December 15, 2025 and on or prior to December 15, 2035,

(i) Common Stock;

(ii) securities described in paragraph (a)(ii)-(iv) of this definition;

(iii) Non-Cumulative Preferred Stock having either

(A) no maturity or a maturity of at least 60 years, and either (1) Intent-Based Replacement Disclosure or (2) a Mandatory Trigger Provision; or

(B) a maturity of at least 40 years but not more than 59 years, and both (1) an Intent-Based Replacement Disclosure and (2) a Mandatory Trigger Provision; or

(iv) other securities that:

(A) rank upon a liquidation, dissolution or winding-up of the Corporation either (1) pari passu with or junior to the Notes or (2) pari passu with the claims of the Corporation's trade creditors and junior to all of the Corporation's long-term indebtedness for money borrowed (other than the Corporation's long-term indebtedness for money borrowed from time to time outstanding that by its terms ranks pari passu with such securities on a liquidation, dissolution or winding-up of the Corporation); and

(B) include distribution deferral provisions in the terms thereof or of the related transaction agreements, substantially similar to Sections 4.1 and 4.2 of the First Supplemental Indenture;

(C) a maturity of at least 40 but not more than 59 years and have Intent-Based Replacement Disclosure; and

(c) with respect to Securities are that redeemed or repurchased after December 15, 2035 and on or prior to December 15, 2040,

(i) Common Stock;

(ii) securities described in paragraph b(ii)-(iv) of this definition, or

(iii) preferred stock, having a maturity, if any, of at least 60 years, and either (A) cumulative Distributions and Intent-Based Replacement Disclosure, or (B) non-cumulative Distributions.

“*Securities Exchange Act*” means the Securities Exchange Act of 1934, as amended.

“*Securities*” has the meaning specified in Recital A.

“*Subsidiary*” means, at any time, any Person the shares of stock or other ownership interests of which having ordinary voting power to elect a majority of the board of directors or other managers of such Person are at the time owned, or the management or policies of which are otherwise at the time controlled, directly or indirectly through one or more intermediaries (including other Subsidiaries) or both, by another Person.

**BURLINGTON NORTHERN SANTA FE CORPORATION**  
**NON-EMPLOYEE DIRECTORS' COMPENSATION FOR 2006**

**Directors' Compensation**

On February 14, 2006, the Board, after review of competitive compensation levels and director responsibilities, revised certain elements of the compensation to be received by non-employee directors through fees, equity, and other programs as described below. Non-employee directors continue to receive an annual retainer fee of \$60,000, paid in quarterly installments. The Chairman of the Audit Committee is paid a supplemental annual retainer fee, which was increased from \$10,000 to \$15,000, and each director who chairs any other Board committee is paid a supplemental annual retainer fee, which was increased from \$5,000 to \$10,000. In addition, for attendance at each Committee meeting or any inspection trip or similar meeting, a meeting fee of \$1,000 plus expenses continues to be paid, including expenses for attendance by spouses in connection with certain meetings. Directors who are also officers or employees of the Company receive no compensation for duties performed as a director or a committee chairman.

**Burlington Northern Santa Fe Directors' Retirement Plan**

The Directors' Retirement Plan was terminated as of July 17, 2003. The plan provided non-employee directors an annual benefit if they served as a member of the Board for ten consecutive years, attained the mandatory retirement age, or were designated by the Directors and Corporate Governance Committee as eligible for benefits. Individual participants who met the eligibility requirements of the Retirement Plan are eligible to receive annual payments for benefits accrued through July 17, 2003. The annual payment is the amount of the annual retainer for services as a Board member at the time of termination of service for those individuals who are already retired. Non-employee members of the Board who meet the eligibility requirements will receive an annual payment in the amount of \$40,000 upon departure from the Board, which was the amount of the annual retainer for services as a Board member at the time the Retirement Plan was terminated. Payment ceases upon an individual's death. Service as a member on the board of directors of one or more of BNSF's predecessor companies counts toward the requirement of ten consecutive years of service.

An individual Board member as of July 17, 2003, who had not served as a member of the Board for a period of at least ten consecutive years as of such date and had not attained age 72 as of July 17, 2003, but who subsequently meets the eligibility requirements, will be entitled to receive a pro rata annual payment for benefits at the time of departure from the Board. See Exhibit 10.23 to this Form 10-K.

**Burlington Northern Santa Fe Non-Employee Directors' Stock Plan**

Under the Plan, each non-employee director is entitled to receive a one-time grant of 1,000 Restricted Stock Units as of the annual meeting at which he or she is first elected to the Board.

On February 14, 2006, the Board of Directors amended the Plan to reduce the number of Restricted Stock Units granted to each non-employee director elected to the Board of Directors at the 2006 annual meeting and each subsequent annual meeting, from 2,500 Restricted Stock Units to 2,100 units. As previously provided by the Plan, if an individual becomes a director on a date other than the date of the annual meeting, he or she will receive a pro rata grant of Restricted Stock Units for the portion of the one-year term following the date on which the individual becomes a director. The Restricted Stock Units will vest upon the date the director's term of service ends by reason of retirement, death, disability, or change in control, subject to the director having served on the Board at least until the next annual meeting following election to the Board. Upon vesting, the director will receive one share of the Company's common stock for each Restricted Stock Unit. Directors holding Restricted Stock Units do not have any rights of a shareholder but have the right to receive a cash payment in lieu of a dividend at such times and in such amounts as dividends are paid on the Company's common stock.

Prior to 2004, the Non-Employee Directors' Stock Plan also permitted directors by timely election to forego up to 25 percent of their annual retainer and receive a Retainer Stock Award in the form of restricted stock equal to 150 percent of the amount foregone based on the fair market value of BNSF's common stock on the date of grant (December 31 of each calendar year), to vest three years from the date of grant, or

earlier if a director left the Board by reason of retirement, death, disability, or change in control. All Retainer Stock Awards will vest by December 31, 2006. See Exhibit 10.1 to this Form 10-K.

**Burlington Northern Santa Fe Deferred Compensation Plan for Directors and Burlington Northern Santa Fe 2005 Deferred Compensation Plan for Non-Employee Directors**

Prior to 2005, under the Deferred Compensation Plan for Directors, non-employee directors could voluntarily defer all or a portion of the fees they would otherwise receive into a Prime Rate interest account, a Company stock-equivalent (phantom stock) account or other investment option established under the plan's terms, which now includes an S&P 500 index fund and a long-term capital appreciation stock fund. Participants receive subsequent distributions from the Company in amounts determined by reference to the investment options chosen. Distributions will be made in cash in either annual installments or as a lump sum after a director's departure from the Board. Participation in this plan is frozen, and no new contributions may be made under the plan after December 31, 2004. See Exhibit 10.3 to this Form 10-K.

On April 21, 2005, the Board established the 2005 Deferred Compensation Plan for Non-Employee Directors, which has substantially the same provisions and investment options as did the Deferred Compensation Plan for Directors, but with additional provisions which comply with Section 409A of the Internal Revenue Code. See Exhibit 10.40 to this Form 10-K.

**BURLINGTON NORTHERN SANTA FE CORPORATION**  
**DESCRIPTION OF EXECUTIVE OFFICER CASH COMPENSATION**  
**FOR 2006**

**Annual Cash Compensation**

**Base Salary** – Set forth below are the base salaries of the Chief Executive Officer and each of the four most highly compensated executive officers in 2005 and their increased annual base salaries effective February 16, 2006. The Company considers various factors in assigning executive officers to specific salary ranges, including job content, level of responsibility, accountability, and the competitive compensation market. On an annual basis, all executive officers' salaries are reviewed and adjusted to reflect individual performance and position within their respective ranges.

**Incentive Compensation Plan (ICP) Target** – Executive officers are eligible for annual performance-based awards under the Company's ICP, as are all salaried employees. If the Company attains its targeted performance goals, cash compensation levels (base salary plus annual incentives) will approximate the 50<sup>th</sup> percentile of companies from general industry with revenue comparable to the Company ("comparison group"). At the 2006 annual meeting, shareholders will consider amending the ICP to qualify performance-based compensation under Section 162(m) of the Internal Revenue Code. Contingent on that approval, the 2006 ICP goal for the CEO and executive vice presidents will be weighted 100 percent upon achievement of the targeted level of cash flow (from operations). The Compensation and Development Committee of the Board (the "Committee") has the authority to reduce the amount of the awards for the CEO and executive vice presidents based on those factors the Committee determines to be relevant. For all other participants, including all other executive officers, the Company's goals will be weighted 55 percent, 30 percent and 15 percent upon achievement of targeted levels of earnings per share, velocity and safety, respectively. Performance against these annual goals, which are consistent with the Company's long-term objectives and aligned with shareholder returns, will be among the factors that the Committee will consider in determining any reductions to the awards for the CEO and the executive vice presidents.

**Long-Term Incentives** – Opportunities provided to executive officers under long-term incentive programs are targeted to approximate the 60<sup>th</sup> percentile of the comparison group for total direct compensation (cash plus long-term incentives).

**Incentive Bonus Stock Program** – To encourage individual stock ownership, executive officers had previously been given the opportunity to exchange up to 100 percent of their ICP cash awards for a grant of restricted stock. Participants electing the exchange received a restricted stock grant equal to 150 percent of the ICP award foregone. Shares vested three years after grant. On February 28, 2005, the Committee amended the Program to provide that the maximum which could be exchanged from the 2005 ICP award was 100 percent of the individual's target ICP award, and that the restricted stock grant would be equal to 135 percent of the ICP award foregone. On September 14, 2005, the Committee amended the Program so that no exchanges are permitted beyond those for ICP awards earned in 2005. See Exhibits 10.8 and 10.38 to this Form 10-K.

**Salary Exchange Option Program** – To reinforce the link between stock price performance and executive compensation, executive officers have had the opportunity to elect to exchange up to 25 percent of their base salary each year for a grant of non-qualified stock options with an exercise price equal to the fair market value of the Company's common stock on the date of grant and with a term of up to ten years from the date of grant. Participants received 450 non-qualified stock options for each \$1,000 of base salary exchanged and may have elected salary exchanges for up to three consecutive years at one time. Options vest on the anniversary of the date of grant following the year for which the base salary was exchanged. On February 28, 2005, the Compensation and Development Committee amended the Program to provide that no elections are permitted beyond that date. See Exhibits 10.18 and 10.33 to this Form 10-K.

**Stock Options, Restricted Stock, Restricted Stock Units and Performance Stock** – Under the Stock Plan, the Company makes periodic grants of stock options, restricted stock or restricted stock units and performance stock to executive officers. Stock options cannot be issued with an exercise price below the fair market value of the Company common stock on the date of grant, thus ensuring that recipients will benefit only when the price of the Company’s stock appreciates, and they vest pro rata over three years. Stock options granted to executive officers prior to February 28, 2005, may have also included a reload feature that encourages them to exercise their options using previously acquired shares of the Company’s common stock and helps them achieve their stock ownership goals; reload grants of options vest in six months but expire under the terms of the original option grant. Grants of restricted stock or restricted stock units provide for vesting in three years after grant; vesting may also be contingent on achievement of Company performance goals. Awards of performance stock vest three years after the award date, contingent on achievement of Company performance goals. See Exhibits 10.21, 10.31, 10.32, 10.33, 10.34, 10.35 and 10.38 to this Form 10-K.

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**Matthew Rose**  
**Chairman, President and Chief Executive Officer**

	Base
<b>2005</b>	\$1,100,000
<b>2006</b>	\$1,100,000

**Thomas Hund**  
**Executive Vice President and Chief Financial Officer**

	Base
<b>2005</b>	\$473,500
<b>2006*</b>	\$487,700

**Carl Ice**  
**Executive Vice President and Chief Operations Officer**

	Base
<b>2005</b>	\$520,000
<b>2006*</b>	\$535,600

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**John Lanigan**  
**Executive Vice President and Chief Marketing Officer**

	Base
<b>2005</b>	\$500,000

**2006\*** \$515,000

**Jeffrey Moreland**  
**Executive Vice President Law & Government Affairs and Secretary**

	<u>Base</u>
<b>2005</b>	\$455,000
<b>2006*</b>	\$468,700

\* Salary increases from 2005 levels are effective February 16, 2006

**Exhibit 12.1****Burlington Northern Santa Fe Corporation and Subsidiaries**  
**Computation of Ratio of Earnings to Fixed Charges**

Dollars in millions, except ratio amounts

(Unaudited)

	Year Ended December 31,				
	2005	2004	2003	2002	2001
Earnings:					
Income before income taxes and cumulative effect of accounting change	\$ 2,448	\$ 1,273	\$ 1,231	\$ 1,216	\$ 1,173
Add:					
Interest and other fixed charges, excluding capitalized interest	437	409	420	428	463
Portion of rent under long-term operating leases representative of an interest factor	221	195	182	178	173
Distributed income of investees accounted for under the equity method	4	4	3	3	5
Amortization of capitalized interest	8	8	8	8	7
Less:					
Undistributed equity in earnings of investments accounted for under the equity method	15	9	14	17	23
Total earnings available for fixed charges	\$ 3,103	\$ 1,880	\$ 1,830	\$ 1,816	\$ 1,798
Fixed charges:					
Interest and fixed charges	\$ 450	\$ 419	\$ 429	\$ 441	\$ 477
Portion of rent under long-term operating leases representative of an interest factor	221	195	182	178	173
Total fixed charges	\$ 671	\$ 614	\$ 611	\$ 619	\$ 650
Ratio of earnings to fixed charges	4.62x	3.06x	3.00x	2.93x	2.77x

**BURLINGTON NORTHERN SANTA FE CORPORATION  
SUBSIDIARIES AND ASSOCIATED COMPANIES**

<b>BURLINGTON NORTHERN SANTA FE CORPORATION (DE)</b>	
BNSF Acquisition, Inc. (DE)	100%
Burlington Northern Santa Fe Insurance Company, Ltd. (Bermuda)	100%
<b>FreightWise, Inc. (DE)</b>	100%
BNSF Logistics, LLC (DE)	100%
FreightWise Commercial Services, LLC (DE)	100%
Iron Horse Power, LLC (DE)	100%
<b>BNSF Railway Company (DE)</b>	100%
BN Leasing Corporation (DE)	100%
BNSF Equipment Acquisition Company, LLC (DE)	100%
Bayport Systems, Inc. (TX)	100%
BayRail, LLC (DE)	100%
Burlington Northern Dock Corporation (DE)	100%
The Burlington Northern and Santa Fe Railway Company de Mexico, S.A. de C.V. (Mexico)	99%
Burlington Northern Santa Fe British Columbia, Ltd. (DE)	100%
BNSF Railway International Services, Inc. (DE)	100%
Burlington Northern (Manitoba) Limited. (Manitoba)	100%
Burlington Northern Railroad Holdings, Inc. (DE)	100%
Burlington Northern Santa Fe Manitoba, Inc. (DE)	100%
Burlington Northern Santa Fe Properties, L.L.C. (DE)	100%
The Dodge City and Cimarron Valley Railway Company (KS)	100%
Electro Northern, Inc. (DE)	100%
INB Corp. (NV)	100%
Los Angeles Junction Railway Company (CA)	100%
M-R Holdings Acquisition Company (DE)	100%
Midwest/Northwest Properties Inc. (DE)	100%
Northern Radio Limited (British Columbia)	100%
Oklahoma City Junction Railway Company (OK)	100%
Pine Canyon Land Company (DE)	100%
Rio Grande, El Paso and Santa Fe Railroad Company (TX)	100%
<b>SFP Pipeline Holdings, Inc. (DE)</b>	100%
Santa Fe Pacific Pipelines, Inc. (DE)	100%
Santa Fe Pacific Insurance Company (VT)	100%
Santa Fe Pacific Railroad Company (Act of Congress)	100%
Santa Fe Receivables Corporation (DE)	100%
Santa Fe Terminal Services, Inc. (DE)	100%
Star Lake Railroad Company (DE)	100%
Sunset Communications Company (DE)	100%
<b>Transportation Group Management, Inc. (DE)</b>	100%
Wyoming Transportation Group, L.L.C. (WY)	100%
Western Fruit Express Company (DE)	100%
Winona Bridge Railway Company (MN)	100%
The Zia Company (DE)	100%

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-3 (No. 333-130214) and the Registration Statements on Form S-8 (Nos. 33-62825, 33-62827, 33-62829, 33-62831, 33-62833, 33-62835, 33-62837, 33-62839, 33-62841, 33-62943, 33-63247, 33-63249, 33-63253, 333-03275, 333-03277, 333-118732, 333-19241, 333-77615, 333-59854 and 333-108384) of Burlington Northern Santa Fe Corporation of our report dated February 13, 2006 relating to the consolidated financial statements, management's assessment of the effectiveness of internal control over financial reporting and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

Fort Worth, Texas  
February 16, 2006

## POWER OF ATTORNEY

WHEREAS, BURLINGTON NORTHERN SANTA FE CORPORATION, a Delaware corporation (the "Company"), will file with the Securities and Exchange Commission, under the provisions of the Securities Exchange Act of 1934, as amended, its Annual Report on Form 10-K for the fiscal year ended December 31, 2005; and

WHEREAS, the undersigned serve the Company in the capacity indicated;

NOW, THEREFORE, the undersigned hereby constitutes and appoints THOMAS N. HUND or JEFFREY R. MORELAND, his or her attorney with full power to act for him or her in his or her name, place and stead, to sign his or her name in the capacity set forth below, to the Annual Report on Form 10-K of the Company for the fiscal year ended December 31, 2005, and to any and all amendments to such Annual Report on Form 10-K, and hereby ratifies and confirms all that said attorney may or shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, this Power of Attorney has been executed by the undersigned this 16<sup>th</sup> day of February, 2006.

/s/ Alan L. Boeckmann  
Alan L. Boeckmann, Director

/s/ Donald G. Cook  
Donald G. Cook, Director

/s/ Vilma S. Martinez  
Vilma S. Martinez, Director

/s/ Marc F. Racicot  
Marc F. Racicot, Director

/s/ Roy S. Roberts  
Roy S. Roberts, Director

Matthew K. Rose, Director and Chairman,  
President and Chief Executive Officer

/s/ Marc J. Shapiro  
Marc J. Shapiro, Director

/s/ J.C. Watts, Jr.  
J.C. Watts, Jr., Director

/s/ Robert H. West  
Robert H. West, Director

/s/ Edward E. Whitacre, Jr.  
Edward E. Whitacre, Jr., Director

/s/ J. Steven Whisler  
J. Steven Whisler, Director

## **Exhibit 31.1**

### **Principal Executive Officer's Certifications Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

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I, Matthew K. Rose, certify that:

1. I have reviewed this annual report on Form 10-K of Burlington Northern Santa Fe Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 16, 2006

/s/ Matthew K. Rose  
Matthew K. Rose  
Chairman, President and  
Chief Executive Officer

## **Exhibit 31.2**

### **Principal Financial Officer's Certifications Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

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I, Thomas N. Hund, certify that:

1. I have reviewed this annual report on Form 10-K of Burlington Northern Santa Fe Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any changes in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 16, 2006

/s/ Thomas N. Hund  
Thomas N. Hund  
Executive Vice President and  
Chief Financial Officer

## **Exhibit 32.1**

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### **Certification Pursuant to 18 U.S.C. § 1350**

(Section 906 of Sarbanes-Oxley Act of 2002)

#### **Burlington Northern Santa Fe Corporation**

In connection with the Annual Report of Burlington Northern Santa Fe Corporation (the "Company") on Form 10-K for the year ended December 31, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Matthew K. Rose, Chairman, President and Chief Executive Officer of the Company, and Thomas N. Hund, Executive Vice President and Chief Financial Officer of the Company, each hereby certifies that, to his knowledge on the date hereof:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 16, 2006

/s/ Matthew K. Rose

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Matthew K. Rose

Chairman, President and Chief Executive Officer

/s/ Thomas N. Hund

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Thomas N. Hund

Executive Vice President and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Burlington Northern Santa Fe Corporation and will be retained by Burlington Northern Santa Fe Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

## **Exhibit 99.1**

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### **Annual CEO Certification**

(Section 303A.12 (a) of the New York Stock Exchange Listed Company Manual)

As the Chief Executive Officer of Burlington Northern Santa Fe Corporation, and as required by Section 303A.12(a) of the New York Stock Exchange Listed Company Manual, I hereby certify that as of the date hereof I am not aware of any violation by the Company of NYSE's Corporate Governance listing standards, other than has been notified to the Exchange pursuant to Section 303A.12(b) and disclosed as an attachment hereto.

/s/ Matthew K. Rose

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Matthew K. Rose

Chairman, President and Chief Executive Officer

May 19, 2005

[No attachment accompanied this Annual CEO Certification.]