
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 22, 2017

CSX CORPORATION
(Exact name of registrant as specified in its charter)

Virginia
(State or other jurisdiction
of incorporation)

1-08022
(Commission
File Number)

62-1051971
(I.R.S. Employer
Identification No.)

500 Water Street, 15th Floor, Jacksonville, Florida
(Address of principal executive offices)

32202
(Zip Code)

Registrant's telephone number, including area code: (904) 359-3200

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.05. Costs Associated with Exit or Disposal Activities.

On February 21, 2017, CSX Corporation (“CSX” or the “Company”) approved and commenced a management streamlining and realignment plan that is expected to deliver at least \$175 million in annual productivity savings. The management streamlining plan is expected to impact up to 1,000 employees, representing over 20 percent of CSX’s management workforce.

Implementation of this plan is expected to be substantially completed by mid-March 2017 and is projected to result in a pretax charge of at least \$160 million related to employee-termination benefits, including expenses for cash severance costs, pension expenses and expenses for acceleration of equity compensation. This streamlining charge will fluctuate depending on final calculation of individual employee benefits. The projected pretax charge includes approximately \$90 million of cash expenditures related primarily to one-time severance costs. CSX expects the majority of this charge will be recognized during the first quarter of 2017.

The foregoing contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act. These forward-looking statements include the size of the management streamlining plan, the amount and timing of the related charges and the anticipated future productivity savings. Statements regarding future events are based on CSX’s current expectations and are necessarily subject to associated risks related to the completion of the management streamlining plan in the manner anticipated by CSX. Readers are cautioned that these forward-looking statements are only predictions and may differ materially from actual future events or results due to a variety of factors, including CSX’s ability to achieve the benefits of the announced management streamlining plan, the time required to successfully implement the management streamlining plan and changes in the assumptions on which the plan is based. For more information related to risks facing CSX, please see “Risk Factors” in Part I, Item 1A of CSX’s Annual Report on Form 10-K, filed with the Securities and Exchange Commission on February 14, 2017 and CSX’s other public filings and press releases. Forward-looking statements speak only as of the date they are made, and CSX undertakes no obligation to update or revise any forward-looking statement. If CSX updates any forward-looking statement, no inference should be drawn that CSX will make additional updates with respect to that statement or any other forward-looking statements.

Forward-looking statements are subject to a number of risks and uncertainties, and actual performance or results could differ materially from that anticipated by any forward-looking statements. Factors that may cause actual results to differ materially from those contemplated by any forward-looking statements include, among others: (i) CSX’s success in implementing its financial and operational initiatives; (ii) changes in domestic or international economic, political or business conditions, including those affecting the transportation industry (such as the impact of industry competition, conditions, performance and consolidation); (iii) legislative or regulatory changes; (iv) the inherent business risks associated with safety and security; (v) the outcome of claims and litigation involving or affecting CSX; (vi) natural events such as severe weather conditions or pandemic health crises; and (vii) the inherent uncertainty associated with projecting economic and business conditions.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Consistent with its past practices, in February, the Compensation Committee approved and adopted the Company’s new three year long-term incentive program. Specifically, on February 22, the Compensation Committee approved the CSX 2017-2019 Long-Term Incentive Plan (the “2017-2019 Plan”), that seeks to motivate and reward certain employees. The program is comprised of three components—Performance Units, Restricted Stock Units and Stock Options—which account for 50%, 25% and 25% of the awards, respectively. The Performance Units, Restricted Stock Units and Stock Options were awarded as set forth next to each executive’s name in the table below.

Pursuant to the 2017-2019 Plan, the Company awarded Performance Units with potential payouts ranging from zero to 200% of the target awards depending on Company performance against predetermined goals. Performance Units will be paid out, if earned, in the form of shares of CSX common stock in early 2020, after the conclusion of the three-year performance cycle. Payouts for certain executives are subject to downward adjustment by up to 30% based upon total shareholder return relative to specified comparator groups.

Payouts of the Performance Units will be based on the achievement of goals related to Operating Ratio (“OR”) and Return on Assets (“ROA”), with each measure excluding nonrecurring items as disclosed in the Company’s financial statements. The 2017-2019 cycle will measure cumulative OR and average ROA from the beginning of 2017 through the end of 2019. OR and ROA will each comprise 50% of the total payout opportunity for participants and each will be measured independently of the other. OR is defined as operating expense divided by operating revenue. ROA will be calculated using tax-adjusted operating income divided by net property, which is defined as gross property less accumulated depreciation.

Pursuant to the 2017-2019 Plan, Restricted Stock Units and Stock Options generally will vest on February 22, 2020. The Restricted Stock Units will be settled by delivery of a number of shares of CSX common stock equal to the number of Restricted Stock Units granted. Unexercised Stock Options will expire on February 22, 2027.

<u>Executive</u>	<u>Performance Units</u>	<u>Restricted Stock Units</u>	<u>Stock Options</u>
Michael J. Ward *	120,903	60,451	266,904
Clarence W. Gooden *	33,584	16,792	74,140
Fredrik J. Eliasson	33,584	16,792	74,140
Frank A. Lonegro	26,867	13,434	59,312
Cindy M. Sanborn	26,867	13,434	59,312
Ellen M. Fitzsimmons	26,867	13,434	59,312

* As discussed below, the 2017-2019 Plan awards granted to Mr. Ward and Mr. Gooden will be prorated as of May 31, 2018, with performance-based awards remaining subject to satisfaction of pre-established performance goals.

Consistent with past practices, the number of Performance Units and Restricted Stock Units was based on the average closing price of CSX common stock for November 2016, December 2016 and January 2017, which was \$37.22. The number of Stock Options was calculated based on the Black-Scholes value of \$8.43 which, consistent with past practices, was determined using the average closing price of CSX common stock for November 2016, December 2016 and January 2017, which was \$37.22. The exercise price of \$48.39 is based on the closing price of CSX common stock on the date of grant. The foregoing description of the awards made pursuant to the 2017-2019 Plan is qualified in its entirety by reference to the 2017-2019 Plan, which is attached to this Current Report on Form 8-K as Exhibit 10.1, and incorporated herein by reference.

Also on February 22, 2017, in connection with the previously announced retirements of Mr. Ward and Mr. Gooden, the Compensation Committee determined to permit their unvested 2015-2017, 2016-2018 and 2017-2019 long term incentive plan awards to remain eligible to vest through May 31, 2018, with any performance-based awards remaining subject to satisfaction of pre-established performance goals, so long as each of Mr. Ward and Mr. Gooden agreed to serve in an advisory capacity upon request during the same period and to waive various rights and claims, including the cancellation of their respective change of control agreements with the Company. The foregoing description of the separation agreements does not purport to be complete and is qualified in its entirety by reference to the Separation Agreements of Messrs. Ward and Gooden, which are attached to this Current Report on Form 8-K as Exhibits 10.2 and 10.3, respectively, and incorporated herein by reference.

In connection with the previously announced appointment of Mr. Eliasson as the Company's President and Chief Sales and Marketing Officer, on February 22, 2017, the Compensation Committee made the following compensation decisions, effective as of February 15, 2017: Mr. Eliasson's annual base salary was increased to \$700,000; his short-term incentive opportunity was increased to 100% of annual base salary; and his target long-term equity incentive award value was increased to \$2,500,000.

The Compensation Committee also adopted on February 22, 2017 the Section 16 Officer Severance Benefit Plan (the "Severance Plan") covering certain executive officers, including Mr. Eliasson, Mr. Lonegro, Ms. Sanborn and Ms. Fitzsimmons. The Severance Plan provides eligible employees with severance payments and benefits in the event that an eligible employee's employment with the Company or one of the Company's subsidiaries is terminated on or before February 22, 2018 either (a) involuntarily by the Company for any reason other than "for cause", or (b) voluntarily by the eligible employee for "good reason." The severance payments and benefits to be provided, subject to the employee's execution of a release of claims, are as follows: (1) a lump sum cash payment equal to two times the employee's then base salary, (2) a lump sum payment of one times the employee's target bonus for the year of separation, (3) credit for an additional three years of age and two years of service for purposes of calculating the employee's pension benefit and (4) pro-rata vesting of the employee's unvested equity awards with any performance-based awards remaining subject to satisfaction of pre-established performance goals. The foregoing description of the Severance Plan does not purport to be complete and is qualified in its entirety by reference to the Severance Plan, which is attached to this Current Report on Form 8-K as Exhibit 10.4 and incorporated herein by reference.

Item 9.01. Exhibits.

(d) The following exhibit is being filed as part of this report:

- 10.1 CSX 2017-2019 Long Term Incentive Plan
- 10.2 Separation Agreement, effective February 27, 2017, between Michael J. Ward and CSX Corporation
- 10.3 Separation Agreement, effective February 27, 2017, between Clarence W. Gooden and CSX Corporation
- 10.4 CSX Section 16 Officer Severance Benefit Plan

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CSX CORPORATION

By: /s/ Ellen M. Fitzsimmons
Name: Ellen M. Fitzsimmons
Title: Executive Vice President of Law and Public Affairs,
General Counsel and Corporate Secretary

DATE: February 27, 2017

Exhibit Index

<u>Exhibit Number</u>	<u>Title</u>
10.1	CSX 2017-2019 Long Term Incentive Plan
10.2	Separation Agreement, effective February 27, 2017, between Michael J. Ward and CSX Corporation
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10.4	CSX Section 16 Officer Severance Benefit Plan

CSX Long Term Incentive Plan**2017-2019 Cycle****Purpose and Objective**

The CSX Long Term Incentive Plan (“LTIP” or the “Plan”) is the vehicle under which CSX Corporation (“CSX” or “Company”) issues Performance Grants, as described in the CSX Stock and Incentive Award Plan, referred to herein as Performance Units. The Performance Units are issued pursuant to, and are subject to the terms (including defined terms) and conditions of, the CSX Stock and Incentive Award Plan. Under the LTIP, a Performance Unit represents the right to receive a share of CSX common stock. The purpose of the LTIP is to reward eligible employees for their contribution to the attainment of improved operating performance and asset utilization which is intended to result in increased total shareholder return. As described below in the Plan Design section, grants of Performance Units are approved by the Compensation Committee of CSX’s Board of Directors (the “Committee”).

The Company seeks to motivate and reward employees through the issuance of Performance Units. Performance Units are settled upon certification of the Company’s achievement of predetermined levels of: (i) Operating Ratio; and (ii) Return on Assets during the Performance Period (as defined below). The payments are referred to as Performance Awards at the time of payment, and are payable in the form of CSX common stock.

Effective Date and Performance Period

The 2017-2019 LTIP Cycle (the “2017-2019 Cycle” or “Cycle”) commences February 22, 2017 (“the Effective Date”) and ends December 27, 2019. The Performance Period, the time during which Company performance is measured, commences December 31, 2016 and ends December 27, 2019.

Eligibility and Participation

Active employees of CSX or participating subsidiaries (the “Company” or collectively, the “Companies”) in salary Band 06 and above as of the Effective Date (“Participants”) are eligible to participate in the Plan for the 2017-2019 LTIP Cycle and receive a number of Performance Units determined by reference to a dollar denominated long-term incentive compensation value approved by the Committee. The Performance Unit schedule is maintained by the Plan Administrator. Awards will not be prorated for employees hired or promoted into and within Band 06 and above after the Effective Date.

Plan Design

Under CSX's long-term incentive compensation program design, the Committee approves the annual competitive dollar value of long-term incentive compensation for Participants primarily based upon Band¹. For 2017, the long-term incentive compensation value is allocated as follows: Performance Units (50%), Restricted Stock Units (25%) and Stock Options (25%). Restricted Stock Units and Stock Options are provided in separate grants.

The number of Performance Units a Participant receives is calculated by dividing 50% of the dollar value of the long-term incentive compensation mentioned above by the average closing price of CSX common stock during the most recent three full months preceding the Effective Date. For the 2017-2019 Cycle, the average stock price equaled \$37.22, representing the months of November 2016, December 2016 and January 2017. This price is used solely to determine the number of Performance Units granted to each Participant at the commencement of the Cycle.

Performance Measures

The Plan uses as the performance measures a combination of (i) Operating Ratio ("OR") and (ii) Return on Assets ("ROA") as defined herein and excluding non-recurring items as disclosed in the Company's financial statements. OR and ROA have been selected as performance measures because of their high correlation to shareholder returns. Efforts to improve these measures align CSX's business objectives in a way that allows individuals to translate personal actions into desired performance outcomes. Each Participant should be motivated to grow revenue, reduce expense, improve service, increase productivity, improve safety and increase asset utilization.

The measures are applied independently and weighted equally. Thus, if both *target* OR and *target* ROA are achieved, each measure would pay at 50% for a total payout of 100% of the grant value. If the *maximum* OR and *maximum* ROA are achieved then each measure would generate a 100% payout for a total payout at 200%.

1. *Operating Ratio*: OR is defined as CSX Corporation operating expenses divided by operating revenue. Performance achievement for the Cycle is based on cumulative operating expenses and operating revenue for the Performance Period.

As the price of fuel has a significant impact on OR, fuel-adjusted OR targets will apply to the OR performance measure if the average highway diesel fuel ("HDF") price per gallon for the Performance Period falls outside of a predetermined range ("fuel collar"). The OR Charts in Exhibit A reflect the OR targets and related payout percentages at various HDF prices.

¹ The Committee, at its sole discretion, may grant to a Participant a different long-term compensation dollar value than to other Participants within the same Band.

2. *Return on Assets*: ROA is defined as Tax-Adjusted Operating Income divided by Net Properties.

Return on Assets	=	$\frac{\text{Tax-Adjusted Operating Income}}{\text{Net Properties}}$
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Tax Adjusted Operating Income is determined by applying a 38% tax rate to Operating Income, which is based on the cumulative Operating Income during the Performance Period. Net Properties is equal to gross properties less accumulated depreciation calculated based on the quarterly average during the Performance Period.

The terms Operating Income, properties and accumulated depreciation shall be defined and measured as set forth in the Company's financial statements at the end of the Cycle. The ROA chart in Exhibit A reflects the ROA targets and related payout percentages.

Performance Awards

As shown in the Performance Measure and Payout Percentage Table in Exhibit B, Performance Awards are paid as a percentage of a Participant's Performance Units based upon the applicable measures discussed above. All Performance Awards will be paid in CSX common stock.

No Performance Award is earned under the Plan until the Compensation Committee approves the payout percentage based upon the level of achievement of the performance measures for the Cycle.

A Participant who commits an act involving moral turpitude that adversely affects the reputation or business of the Companies shall forfeit all Performance Units. Examples of acts of moral turpitude include, but are not limited to, dishonesty or fraud involving CSX or any affiliated company, their employees, vendors, or customers or a violation of the CSX Code of Ethics.

Impact of Change in Employment Status

Performance Awards generally will be paid only to Participants who are actively employed by the Companies at the end of the applicable three-year performance cycle. Except as provided below, all other Participants whose employment terminates prior to the end of the Cycle shall forfeit any and all Performance Units and thus receive no Performance Award. All earned Performance Awards will be paid no later than March 15 following the end of the Performance Period.

A Participant whose employment terminates due to death, disability, retirement, or return to contract employment shall be eligible to receive a pro-rata Performance Award under the LTIP based on the Performance

Award the Participant would have received had there been no death, disability, retirement or return to contract employment. The pro-rata Performance Award will be determined based upon the number of months of participation relative to the number of months in the Performance Period. Retirement shall mean: (i) the attainment of age 55 and 10 years of Company service; or (ii) the attainment of age 65. Disability shall mean long-term disability as defined in the long-term disability plan of the Company covering the Participant. The foregoing notwithstanding, Management shall have the discretion to terminate Performance Awards for Participants who retire but subsequently violate a non-compete agreement. In the case of death, such Performance Awards shall be paid to the Participant's estate, or as otherwise required by law.

Participants who are part-time employees (less than 40 hours per week) on the Effective Date of the 2017-2019 LTIP Cycle shall be entitled to a pro-rata Performance Award based on the reduced hours.

Taxation of Performance Awards

Performance Awards will be paid in shares of CSX common stock. The value received by the Participant is taxable income; therefore, CSX is required to withhold income taxes at the prescribed rates for both supplemental income and employment taxes in accordance with applicable tax laws. CSX will withhold the minimum number of shares (in whole shares) equal in value to such required amount. Participants in the CSX Executives' Deferred Compensation Plan may defer receipt of Performance Awards in accordance with the terms of that plan.

Plan Administration

The CSX Senior Vice President and Chief Administrative Officer shall be the Plan Administrator and shall interpret and construe the provisions of the Plan subject to the terms of the CSX Stock and Incentive Award Plan and the Compensation Committee's authority and responsibility thereunder.

Plan Amendments and Termination

The Compensation Committee reserves the right to terminate, adjust, amend or suspend the Plan at any time at its sole discretion.

Clawback Provision

In the event of Company accounting irregularities discovered within three years after receipt of payment in connection with a Performance Award, which requires the Company to restate its financial statements due to material noncompliance with any financial reporting requirements under applicable securities laws, the Participant shall repay all amounts in excess of the Performance Award the

Participant should have received as determined under the restated financial statements. The Clawback provision related to financial restatements applies only to Participants who are Section 16 officers at the time of grant or restatement.

In cases where all or part of the Performance Award is deferred under the CSX Executives' Deferred Compensation Plan, breach of these conditions shall result in an immediate forfeiture of the portion deferred, including any earnings thereon from the date of deferral, in the amount needed to equal the applicable clawback amount.

Consideration for Non-compete Agreement

In consideration for eligibility under this 2017-2019 LTIP Cycle, Participants in Band 10 and above must enter into a non-compete agreement, if not already in effect, as prescribed and agreed to by CSX. Eligibility in the 2017-2019 LTIP Cycle for Participants in Band 10 and above is conditioned upon the existence of such non-compete agreement.

Miscellaneous

By accepting a Performance Award, the Participant authorizes the Company to withhold, to the extent permitted by law, any amount the Participant may otherwise owe to the Company in any other capacity whatsoever.

The adoption of the 2017-2019 Cycle of the LTIP does not imply any commitment to continue the Plan or any other long-term incentive compensation plan or program for any succeeding year or period. Neither the Plan, nor any Performance Unit or Performance Award made under the Plan shall create any employment contract or relationship between the Companies and any Participant.

Notwithstanding anything herein to the contrary, Performance Units issued to "covered employees" under Section 162(m) of the Internal Revenue Code shall be treated in a manner intended to comply with Section 162(m) of the Internal Revenue Code.

Committee Discretion

The Compensation Committee may apply its discretion in order to reduce payouts to Executive Team members based on the Company's relative Total Shareholder Return in accordance with Exhibit C. No upward discretion may be applied to LTIP payouts.

SEPARATION AGREEMENT

THIS SEPARATION AGREEMENT (this “Agreement”), effective as of February 27, 2017, is by and between MICHAEL J. WARD (the “Executive”) and CSX CORPORATION, a Virginia corporation (the “Company”), and, with respect to the retirement of the Executive from the Company, provides as follows:

WHEREAS, on February 14, 2017, the Executive notified the Company’s Board of Directors of his intention to retire from the Company and its affiliates effective as of May 31, 2017; and

WHEREAS, as part of its succession planning process, the Company’s Board of Directors believes the Company’s new leadership would benefit from the Executive being willing to offer advice and transition support upon request; and

WHEREAS, the Executive participates in the CSX Long Term Incentive Plan 2015-2017 Cycle (the “2015-2017 LTIP”), the CSX Long Term Incentive Plan 2016-2018 Cycle (the “2016-2018 LTIP”) and the CSX Long Term Incentive Plan 2017-2019 Cycle (the “2017-2019 LTIP” and, together with the 2015-2017 LTIP and the 2016-2018 LTIP, the “LTIPs”); and

WHEREAS, on February 22, 2017, the Compensation Committee of the Company’s Board of Directors (the “Committee”) and the Company’s Board of Directors approved certain amendments to the terms of the Executive’s participation in the LTIPs in recognition of the Executive’s service and contributions to the Company and its affiliates, in furtherance of an orderly transition of the Company’s leadership and in exchange for the Executive’s agreement to waive certain rights or claims the Executive may have had relating to his employment by the Company, including under that certain Change of Control Agreement, dated as of February 7, 2017 (the “COC Agreement”), and any other agreement between the Executive and the Company with respect to the subject matter of the COC Agreement (each, a “Predecessor Agreement”); and

WHEREAS, the Executive and the Company wish to memorialize the actions taken by the Committee and the Company’s Board of Directors.

NOW, THEREFORE, the Executive and the Company agree as follows:

1. Effectiveness. This Agreement shall be effective as of February 27, 2017. The Executive shall resign from all elected, appointed or other positions held with the Company or its affiliates effective as of May 31, 2017, or such earlier date as may be requested by the Company. For the avoidance of doubt, if the Executive fulfills the requirements set forth in Section 3 of this Agreement, the Company’s obligation to amend the terms of the Executive’s participation in the LTIPs and the Executive’s right to receive his current salary and benefits through May 31, 2017, shall not be affected by a resignation of the Executive at the Company’s request from any positions held with the Company occurring before May 31, 2017.

2. Release and Waiver of Claims.

a. The Executive unconditionally and irrevocably releases the Company, its affiliates and all of its and their past and present officers, directors, employees, agents, representatives, assigns, attorneys, insurers, subsidiaries, predecessors, benefit plans, the benefit plans' sponsors, fiduciaries, administrators, affiliates and agents and any other persons acting by, through, under or in concert with any of the persons or entities listed in this Section 2 (the "Released Parties") from and hereby waives any and all known or unknown claims, charges, promises, actions or similar rights that the Executive may have (collectively, "Claims"), including, but not limited to, those relating in any way to the Executive's employment with the Company or any of its affiliates, the COC Agreement and any Predecessor Agreements. The COC Agreement and any Predecessor Agreements are terminated effective February 27, 2017, on and after which date the Executive shall have no rights under any such agreement; provided, however, that the Executive's obligations under Section 10 of the COC Agreement shall survive the termination of the COC Agreement.

b. Notwithstanding anything in this Agreement to the contrary, (1) the Executive's right to indemnification, advancement and exculpation currently set forth in the organizational documents of the Company or its applicable affiliates or any rights under any directors and officers liability insurance policies of the Company or its applicable affiliates currently in effect, (2) the Executive's right to receive earned but unpaid salary, compensation relating to the Performance Units, Restricted Stock Units and Options under the LTIPs, any other equity or equity-based awards and the pro rata portion of the Executive's annual bonus for 2017 (subject, in each case, to the Company's achievement of pre-established performance goals, if applicable) and (3) any rights under any employee benefit plan of the Company or its affiliates in which the Executive participates (other than the LTIPs) shall not be affected by this Agreement.

c. This Agreement does not prohibit Claims that first arise after the date hereof (other than any Claims under the COC Agreement or any Predecessor Agreement, all of which are waived), arise out of or in connection with the interpretation or enforcement of this Agreement or any rights or Claims that cannot be waived as a matter of law. If it is determined that any Claim covered by this Agreement cannot be waived as a matter of law, the Executive agrees that this Agreement will nevertheless remain valid and fully enforceable as to the remaining released Claims.

d. The Executive understands that he is releasing Claims that he may not know about, and that is the Executive's knowing and voluntary intent. The Executive expressly waives all rights he might have under any law that is intended to prevent unknown claims from being released and understands the significance of doing so.

e. The parties agree to refrain from expressing to any third party any derogatory or negative opinions concerning the other party, its affiliates and, in the case of the Company, its and its affiliates' respective officers, directors, employees, operations and services; provided, however, that nothing herein shall be construed to prevent or restrict either party from responding truthfully to inquiries as a part of an official investigation conducted by or proceeding before a court, government or law enforcement agency or in response to a subpoena or from making any disclosure otherwise required by any law, rule or regulation (including any applicable stock exchange rule).

3. Amendment of LTIPs. If the Executive continues to be available to provide services to the Company until May 31, 2017, then the terms of the Executive's participation in the LTIPs shall be amended as follows, effective May 31, 2017:

a. *Performance Units*. The Executive's rights with respect to the Performance Units granted under each of the LTIPs shall be determined as if the date of his retirement under the LTIPs is May 31, 2018, and as if the Executive remained employed by the Company until May 31, 2018.

b. *RSUs*. The Executive's rights under each of the Restricted Stock Unit Grant Agreements evidencing the grant of restricted stock units to the Executive under each of the LTIPs (the "RSUs") shall be determined as if the date of his retirement under such agreements is May 31, 2018, and as if the Executive remained employed by the Company until May 31, 2018.

c. *Options*. The Executive's rights under each of the Notices of Non-Qualified Stock Option Grant evidencing the options granted to the Executive under the 2016-2018 LTIP and the 2017-2019 LTIP (the "Options") shall be determined as if the date of his retirement under such agreements is May 31, 2018, and as if the Executive remained employed by the Company until May 31, 2018.

Except as provided in the preceding clauses (a), (b) and (c), the Executive's rights under and with respect to the Performance Units, the RSUs and the Options shall be governed by the original terms of the LTIPs, the Restricted Stock Unit Grant Agreements and the Notices of Non-Qualified Stock Option Grant, as applicable.

4. Section 409A. The Executive understands, acknowledges and agrees that any amounts payable under this Agreement are intended to be exempt from or comply with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and treasury regulations relating thereto, so as not to subject the Executive to the payment of any interest and tax penalty which may be imposed under Section 409A of the Code, and Agreement shall be interpreted and construed accordingly; provided, however, that the Company and the other Released Parties shall not be responsible for any taxes, penalties, interest or other losses or expenses incurred by the Executive due to any failure to be exempt from or to comply with Section 409A of the Code. In furtherance thereof, the terms of this Agreement, to the extent necessary, may be modified to be exempt from and so comply with Section 409A of the Code. All references in this Agreement to the Executive's separation or termination of his employment shall mean a separation from service within the meaning of Section 409A of the Code. Each payment under the Agreement as a result of the separation of the Executive's service shall be considered a separate payment for purposes of Section 409A of the Code.

5. Successors. This Agreement shall inure to the benefit of, be enforceable by and be binding upon the Executive, his successors and heirs and beneficiaries (whether by will or the laws of descent and distribution). This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

6. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida, without reference to principles of conflict of laws, and, where applicable, federal law.

7. Severability. If any provision of this Agreement or the application thereof is held invalid, any such invalidity shall not affect other provisions or applications of this Agreement that can be given effect without the invalid provisions or application..

8. Other Agreements Unaffected. Except as expressly provided herein, this Agreement shall have no effect on any other agreement between the Executive and the Company or any of its affiliates, and any such other agreement shall remain in full force and effect in accordance with its terms, including, for the avoidance of doubt, that certain Noncompete Agreement, dated May 1, 2007, between the Company and the Executive.

9. Amendment. This Agreement may be amended or modified only by written agreement executed by the Executive and the Company or their respective successors and legal representatives.

10. Counterparts. This Agreement may be executed in counterparts, each of which shall constitute an original document and which together constitute one document.

[Signature Page Follows]

IN WITNESS WHEREOF, the Executive has hereunto set the Executive's hand and, pursuant to the authorization of the Committee, the Company has caused these presents to be executed in its name and on its behalf, all as of the day and year first above written.

MICHAEL J. WARD

/s/ Michael J. Ward

CSX CORPORATION

By: /s/ Steven T. Halverson

Name: Steven T. Halverson

Its: Director and Chair of the Compensation Committee

SEPARATION AGREEMENT

THIS SEPARATION AGREEMENT (this “Agreement”), effective as of February 27, 2017, is by and between CLARENCE W. GOODEN (the “Executive”) and CSX CORPORATION, a Virginia corporation (the “Company”), and, with respect to the retirement of the Executive from the Company, provides as follows:

WHEREAS, on February 14, 2017, the Executive notified the Company’s Board of Directors of his intention to retire from the Company and its affiliates effective as of May 31, 2017; and

WHEREAS, as part of its succession planning process, the Company’s Board of Directors believes the Company’s new leadership would benefit from the Executive being willing to offer advice and transition support upon request; and

WHEREAS, the Executive participates in the CSX Long Term Incentive Plan 2015-2017 Cycle (the “2015-2017 LTIP”), the CSX Long Term Incentive Plan 2016-2018 Cycle (the “2016-2018 LTIP”) and the CSX Long Term Incentive Plan 2017-2019 Cycle (the “2017-2019 LTIP”) and, together with the 2015-2017 LTIP and the 2016-2018 LTIP, the “LTIPs”); and

WHEREAS, on February 22, 2017, the Compensation Committee of the Company’s Board of Directors (the “Committee”) and the Company’s Board of Directors approved certain amendments to the terms of the Executive’s participation in the LTIPs in recognition of the Executive’s service and contributions to the Company and its affiliates, in furtherance of an orderly transition of the Company’s leadership and in exchange for the Executive’s agreement to waive certain rights or claims the Executive may have had relating to his employment by the Company, including under that certain Change of Control Agreement, dated as of February 7, 2017 (the “COC Agreement”), and any other agreement between the Executive and the Company with respect to the subject matter of the COC Agreement (each, a “Predecessor Agreement”); and

WHEREAS, the Executive and the Company wish to memorialize the actions taken by the Committee and the Company’s Board of Directors.

NOW, THEREFORE, the Executive and the Company agree as follows:

1. Effectiveness. This Agreement shall be effective as of February 27, 2017. The Executive shall resign from all elected, appointed or other positions held with the Company or its affiliates effective as of May 31, 2017, or such earlier date as may be requested by the Company. For the avoidance of doubt, if the Executive fulfills the requirements set forth in Section 3 of this Agreement, the Company’s obligation to amend the terms of the Executive’s participation in the LTIPs and the Executive’s right to receive his current salary and benefits through May 31, 2017, shall not be affected by a resignation of the Executive at the Company’s request from any positions held with the Company occurring before May 31, 2017.

2. Release and Waiver of Claims.

a. The Executive unconditionally and irrevocably releases the Company, its affiliates and all of its and their past and present officers, directors, employees, agents, representatives, assigns, attorneys, insurers, subsidiaries, predecessors, benefit plans, the benefit plans' sponsors, fiduciaries, administrators, affiliates and agents and any other persons acting by, through, under or in concert with any of the persons or entities listed in this Section 2 (the "Released Parties") from and hereby waives any and all known or unknown claims, charges, promises, actions or similar rights that the Executive may have (collectively, "Claims"), including, but not limited to, those relating in any way to the Executive's employment with the Company or any of its affiliates, the COC Agreement and any Predecessor Agreements. The COC Agreement and any Predecessor Agreements are terminated effective February 27, 2017, on and after which date the Executive shall have no rights under any such agreement; provided, however, that the Executive's obligations under Section 10 of the COC Agreement shall survive the termination of the COC Agreement.

b. Notwithstanding anything in this Agreement to the contrary, (1) the Executive's right to indemnification, advancement and exculpation currently set forth in the organizational documents of the Company or its applicable affiliates or any rights under any directors and officers liability insurance policies of the Company or its applicable affiliates currently in effect, (2) the Executive's right to receive earned but unpaid salary, compensation relating to the Performance Units, Restricted Stock Units and Options under the LTIPs, any other equity or equity-based awards and the pro rata portion of the Executive's annual bonus for 2017 (subject, in each case, to the Company's achievement of pre-established performance goals, if applicable) and (3) any rights under any employee benefit plan of the Company or its affiliates in which the Executive participates (other than the LTIPs) shall not be affected by this Agreement.

c. This Agreement does not prohibit Claims that first arise after the date hereof (other than any Claims under the COC Agreement or any Predecessor Agreement, all of which are waived), arise out of or in connection with the interpretation or enforcement of this Agreement or any rights or Claims that cannot be waived as a matter of law. If it is determined that any Claim covered by this Agreement cannot be waived as a matter of law, the Executive agrees that this Agreement will nevertheless remain valid and fully enforceable as to the remaining released Claims.

d. The Executive understands that he is releasing Claims that he may not know about, and that is the Executive's knowing and voluntary intent. The Executive expressly waives all rights he might have under any law that is intended to prevent unknown claims from being released and understands the significance of doing so.

e. The parties agree to refrain from expressing to any third party any derogatory or negative opinions concerning the other party, its affiliates and, in the case of the Company, its and its affiliates' respective officers, directors, employees, operations and services; provided, however, that nothing herein shall be construed to prevent or restrict either party from responding truthfully to inquiries as a part of an official investigation conducted by or proceeding before a court, government or law enforcement agency or in response to a subpoena or from making any disclosure otherwise required by any law, rule or regulation (including any applicable stock exchange rule).

3. Amendment of LTIPs. If the Executive continues to be available to provide services to the Company until May 31, 2017, then the terms of the Executive's participation in the LTIPs shall be amended as follows, effective May 31, 2017:

a. *Performance Units*. The Executive's rights with respect to the Performance Units granted under each of the LTIPs shall be determined as if the date of his retirement under the LTIPs is May 31, 2018, and as if the Executive remained employed by the Company until May 31, 2018.

b. *RSUs*. The Executive's rights under each of the Restricted Stock Unit Grant Agreements evidencing the grant of restricted stock units to the Executive under each of the LTIPs (the "RSUs") shall be determined as if the date of his retirement under such agreements is May 31, 2018, and as if the Executive remained employed by the Company until May 31, 2018.

c. *Options*. The Executive's rights under each of the Notices of Non-Qualified Stock Option Grant evidencing the options granted to the Executive under the 2016-2018 LTIP and the 2017-2019 LTIP (the "Options") shall be determined as if the date of his retirement under such agreements is May 31, 2018, and as if the Executive remained employed by the Company until May 31, 2018.

Except as provided in the preceding clauses (a), (b) and (c), the Executive's rights under and with respect to the Performance Units, the RSUs and the Options shall be governed by the original terms of the LTIPs, the Restricted Stock Unit Grant Agreements and the Notices of Non-Qualified Stock Option Grant, as applicable.

4. Section 409A. The Executive understands, acknowledges and agrees that any amounts payable under this Agreement are intended to be exempt from or comply with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and treasury regulations relating thereto, so as not to subject the Executive to the payment of any interest and tax penalty which may be imposed under Section 409A of the Code, and Agreement shall be interpreted and construed accordingly; provided, however, that the Company and the other Released Parties shall not be responsible for any taxes, penalties, interest or other losses or expenses incurred by the Executive due to any failure to be exempt from or to comply with Section 409A of the Code. In furtherance thereof, the terms of this Agreement, to the extent necessary, may be modified to be exempt from and so comply with Section 409A of the Code. All references in this Agreement to the Executive's separation or termination of his employment shall mean a separation from service within the meaning of Section 409A of the Code. Each payment under the Agreement as a result of the separation of the Executive's service shall be considered a separate payment for purposes of Section 409A of the Code.

5. Successors. This Agreement shall inure to the benefit of, be enforceable by and be binding upon the Executive, his successors and heirs and beneficiaries (whether by will or the laws of descent and distribution). This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

6. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida, without reference to principles of conflict of laws, and, where applicable, federal law.

7. Severability. If any provision of this Agreement or the application thereof is held invalid, any such invalidity shall not affect other provisions or applications of this Agreement that can be given effect without the invalid provisions or application..

8. Other Agreements Unaffected. Except as expressly provided herein, this Agreement shall have no effect on any other agreement between the Executive and the Company or any of its affiliates, and any such other agreement shall remain in full force and effect in accordance with its terms, including, for the avoidance of doubt, that certain Noncompete Agreement, dated May 1, 2007, between the Company and the Executive.

9. Amendment. This Agreement may be amended or modified only by written agreement executed by the Executive and the Company or their respective successors and legal representatives.

10. Counterparts. This Agreement may be executed in counterparts, each of which shall constitute an original document and which together constitute one document.

[Signature Page Follows]

IN WITNESS WHEREOF, the Executive has hereunto set the Executive's hand and, pursuant to the authorization of the Committee, the Company has caused these presents to be executed in its name and on its behalf, all as of the day and year first above written.

CLARENCE W. GOODEN

/s/ Clarence W. Gooden

CSX CORPORATION

By: /s/ Michael J. Ward

Name: Michael J. Ward

Its: Chairman and Chief Executive Officer

CSX Corporation
Section 16 Officer Severance Plan
and
Summary Plan Description

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Introduction and Highlights

CSX Corporation (the “Company”) adopted the CSX Corporation Section 16 Officer Severance Plan (the “Plan”) effective as of February 22, 2017 (the “Effective Date”) for eligible executive level employees of the Company. The purpose of the Plan is to provide severance protections to a critical class of Company employees during a transitional period for the Company and thereby promote the retention and focus of these employees to assist the Company in this important transition.

You are eligible to receive Severance Pay and other benefits under the Plan if (i) you meet the applicable eligibility criteria, (ii) your employment terminates under circumstances which entitle you to benefits, (iii) you timely sign and return an Employment Separation Agreement and Release Form, and (iv) the Employment Separation Agreement and Release Form has become effective upon satisfaction of the Release Requirement, all as described below.

Eligibility to Participate

(A) You are eligible to participate in the Plan only if, as of the Effective Date, you are actively employed by the Company in a position described below under “Severance Pay”, and

(B) you have executed a Participation Agreement and returned it to the Company pursuant to the Company’s instructions.

Who Is Not Eligible to Participate

Notwithstanding any other Plan provision, you are not eligible to participate in the Plan and will be excluded from coverage under the Plan if,

(A) as of the Effective Date, you are not actively employed by the Company in a position described below under “Severance Pay”, or

(B) you have not executed a Participation Agreement and returned it to the Company pursuant to the Company’s instructions.

Eligibility for Severance Benefits

Right to Severance Payments and Benefits

You will be eligible to receive severance payments and benefits from the Company as set forth in the “Severance Payments and Benefits” section of this Plan if you meet the participation requirements set forth above and your Termination Date occurs for any one or more of the following reasons:

(A) Your employment is terminated involuntarily by the Company, other than for Cause; or

(B) You voluntarily terminate your employment for Good Reason, and

(1) in either case your Termination Date occurs prior to February 22, 2018 or, as applicable, (2) (i) the Company has notified you of your involuntarily termination by the Company, other than for Cause prior to February 22, 2018 or (ii) you have provided the Company notice of your election to terminate for Good Reason prior to February 22, 2018 and the Company has subsequently waived its right to cure or the 30-day period in which the Company may cure has subsequently elapsed without cure, as provided below.

To qualify for severance payments and benefits under the Plan upon voluntary termination for Good Reason, you must notify the Company in writing of your election to terminate for Good Reason, specifying the event constituting Good Reason, within 10 business days after the occurrence of the event that you believe constitutes Good Reason. Failure for any reason to give written notice of termination of employment for Good Reason in accordance with the foregoing will be deemed a waiver of the right to voluntarily terminate your employment for that Good Reason event. The Company will have a period of 30 days after receipt of your notice in which to cure the Good Reason. If the Good Reason is cured within this period, you will not be entitled to severance payments and benefits under the Plan. If the Company waives its right to cure or does not, within the 30-day period, cure the Good Reason, you will be entitled to severance payments and benefits under the Plan subject to the terms and conditions hereof, and your actual Termination Date will be determined in the sole discretion of the Company, but in no event will it be later than 30 calendar days from the date the Company waives its right to cure or the end of the 30-day period in which to cure the Good Reason, whichever is earlier.

Ineligibility for Severance Benefits

Notwithstanding any other provision of the Plan, you will not be eligible for severance payments and benefits under the Plan if your Termination Date occurs by reason of any of the following:

- Voluntary termination or voluntary retirement other than for Good Reason;
- Disability (as defined in the Company's long-term disability plan);
- For Cause; or
- Refusal to accept a transfer to a position with the Company for which you are qualified, as determined by the Company, by reason of your knowledge, training, and experience, provided that the transfer would not constitute Good Reason for a voluntary termination.

Cause

"Cause" means the following:

- (A) Willful and continued failure or refusal to substantially perform duties with the Company or any of its affiliates (except where the failure results from incapacity due to physical or mental illness);
- (B) Willfully engaging in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company; or
- (C) Violation of any Company policy, or the commission of an act involving moral turpitude, in each case, that adversely affects the reputation or business of the Company or any affiliate.

Good Reason

"Good Reason" means the occurrence of any one or more of the following events which occur without your express written consent:

- (A) A material reduction in your Base Salary;
- (B) A reduction in your job grade or title constituting a demotion;
- (C) A substantial reduction in your authority or substantial detrimental change in your duties which, in either case, represents a material demotion, regardless of whether the reduction or change is accompanied by an actual diminution of your title or grade level; or
- (C) A change in the principal location of your job or office, such that you will be based at a location that is 50 miles or more further from your principal job or office location immediately prior to the proposed change in your job or office.

Severance Payments and Benefits

Under the Plan, you are eligible to receive the following severance benefits, provided you meet the eligibility criteria for severance payments and benefits described in the previous Section and this Section—(A) Severance Pay, (B) Pro Rata Bonus, (C) Pension Enhancement, and (D) Prorated Equity Award Vesting, each as described below.

Severance Pay

If you are a Company Section 16 Officer as of the Effective Date, your Severance Pay will be an amount equal to the sum of: (i) two times Base Salary and (ii) one times Target Bonus.

Payment of your Severance Pay will be paid in a lump sum on the date that is 60 days after your Termination Date provided that the Release Requirement has been satisfied as of such date.

Pro Rata Bonus

Your Pro Rata Bonus will be determined by (A) multiplying the original target amount of your Bonus by a fraction, the numerator of which is the number of days that have elapsed from the first day of the fiscal year in which your Termination Date occurs through your Termination Date and the denominator of which is 365 and (B) multiplying the product of (A) by the multiplier derived from the performance criteria applicable to the MICP for the year in which your Termination Date occurs, without the application of any personal performance metrics in a manner that would reduce your Pro Rata Bonus. Payment of your Pro Rata Bonus will be made in a lump sum at the time that annual incentive bonuses are paid under the MICP to similarly-situated employees of the Company who have not terminated employment; provided that the Release Requirement has been satisfied as of such date or, if the 60-day period for your satisfaction of the Release Requirement has not expired as of such date, on the date that is 60 days after your Termination Date provided that the Release Requirement has been satisfied as of such date.

Pension Enhancement

Your Pension Enhancement will be provided by crediting you with three additional years of age and two additional years of service for all purposes under the Pension Plan in which you participate as of the Effective Date, including vesting, eligibility for early retirement and normal retirement benefits, computation of all such benefits, and all other purposes under the Pension Plan.

Prorated Equity Award Vesting

Your Prorated Equity Award Vesting will be provided by the vesting of a portion of each of your Equity Awards equal to the total number of Company shares covered by the Equity Award times a fraction, the numerator of which is the number of months in the vesting or performance period applicable to such Equity Award that have elapsed from the commencement of the applicable vesting or performance period through your Termination Date and the denominator of which is the total number of months in the applicable vesting or performance period. In the case any Equity Awards consisting of Performance Share Units, this formula will be applied to the target number of Performance Share Units and the product number of Performance Share Units will be eligible for vesting based on the performance criteria and performance multiplier applicable to the Performance Share Unit award. Your Prorated Equity Awards will, in the case of Performance Share Units and Restricted Stock Units, be settled in accordance with their original schedule and, in the case of stock options, will remain outstanding until the end of their originally scheduled term.

No Duplication of Benefits/No Substitution

Nothing in the Plan, a change in control plan or agreement, an offer letter or letter agreement from the Company or any of its affiliates, a prevailing practice of the Company or any of its affiliates, or any oral statement made by or on behalf of the Company or any of its affiliates will entitle you to receive duplicate payments or benefits in connection with a voluntary or involuntary termination of employment. The Company's obligation to make payments or provide benefits under the Plan will be expressly conditioned upon you not receiving duplicate payments or benefits. In addition, if you are entitled to Severance Pay under the Plan, you will not receive payment of your Bonus for the year in which your Termination Date occurs (other than your Pro Rata Bonus and Target Bonus) and the treatment of your Equity Awards with respect to a termination of your employment will be governed by the "Prorated Equity Award Vesting" section above and not any provisions relating to the treatment of your Equity Awards upon a voluntary or involuntary termination of your employment under the Equity Incentive Plans (including upon retirement).

To the extent that any amounts would otherwise be payable (or benefits would otherwise be provided) to you under another plan of the Company (or its affiliates) or an agreement with you and the Company (or its affiliates), including a change in control plan or agreement, an offer letter or letter agreement, or to the extent that you are an eligible employee for purposes of the Plan and you experience a change in position that would alter the benefits to which you are entitled under the Plan, and to the extent that such other payments or benefits or the severance payments and benefits provided under this Plan are subject to Code Section 409A, the Plan shall be administered to ensure that no payment or benefit under the Plan will be (i) accelerated in violation of Code Section 409A or (ii) further deferred in violation of Code Section 409A.

Debt owed to the Company

If you owe the Company money for any reason, the Company may offset the amount of the debt from your Pro Rata Bonus, Target Bonus and/or Severance Pay to the extent permitted by law; *provided, however*, that, any such offset shall be applied in a manner consistent with Code Section 409A to the extent that the Severance Pay is subject to Code Section 409A.

Employee Benefits/Special Benefits

From and after your Termination Date, you will not be considered an employee of the Company or any of their affiliates for any purpose – including eligibility under any Company employee benefit plans, including, without limitation, (i) further contributions under CSXtra, (ii) accrual of further benefits under the Pension Plan (except as expressly provided above), (iii) dependent care reimbursement benefits, (iv) the Company's disability plan, (v) the Company's travel accident plan, (vi) sick leave or vacation days, or (vii) any form of incentive compensation. You will, however, be eligible to continue participating in the Company's medical and dental plan (in accordance with the requirements of COBRA and applicable law), including contributions to the health care reimbursement account providing you meet IRS regulations for participation; however, there will be no corresponding employer contributions. You will also be eligible for coverage under various life insurance plans subject to the terms of the applicable plans.

Outplacement Services

From and after your termination, you will be eligible for outplacement services through organizations designated by the Company. You must initiate these outplacement services within six (6) months after your termination date.

Financial and Tax Planning Assistance

From and after your Termination date, you will be eligible to receive financial and tax planning assistance through organizations designated by the Company.

Other Benefits

Except as provided herein with respect to the treatment of your Pro Rata Bonus and Equity Awards, accrued and unused vacation days (including banked vacation), long-term performance awards, vesting and exercising of stock options, vesting of restricted stock and restricted stock units, and bonus payments will be determined in accordance with the applicable plans, programs and/or policies of the Company (and its affiliates). All other benefits coverage and eligibility to participate in the benefit plans of the Company (and its affiliates) will end as of your Termination Date except as otherwise expressly provided by the terms of the applicable benefit plans.

Notwithstanding the foregoing, if you are entitled to receive benefits under the Plan, you will not receive payment of any portion of your Bonus for the year in which your Termination Date occurs (other than your Pro Rata Bonus and Target Bonus).

Amendment and Plan Termination

The Company may not terminate or amend the Plan, except to make amendments which increase benefits payable hereunder or which designate additional classes of senior executives eligible to participate under the Plan. The Plan will terminate automatically on February 22, 2018 except any benefits herein provided at such time will continue to be provided in accord with the terms of the Plan.

Additional Plan Information

Employment Status

The Plan does not constitute a contract of employment, and nothing in the Plan provides or may be construed to provide that participation in the Plan is a guarantee of continued employment with the Company or any of its affiliates.

Withholding of Taxes

The Company or your employer will withhold from any amounts payable under the Plan all Federal, state, local or other taxes that are legally required to be withheld from your severance payments.

No Effect on Other Benefits

Neither the provisions of this Plan nor the severance payments and benefits provided for under the Plan will reduce any amounts otherwise payable to you under any short-term or long-term incentive plan, retirement plan, group insurance or other benefit plan; *provided, however*, that if you are entitled to Severance Pay or other benefits under the Plan, you will not be entitled to severance pay or benefits under any employment, severance, change in control or similar agreement or any other severance or termination pay plan of the Company or any of its affiliates and you will not receive payment of your Bonus for the year in which your Termination Date occurs (other than your Pro Rata Bonus and Target Bonus) and the treatment of your Equity Awards with respect to a termination of your employment will be governed by the “Prorated Equity Award Vesting” section above and not any provisions relating to the treatment of your Equity Awards upon a voluntary or involuntary termination of your employment under the Equity Incentive Plans (including upon retirement).

Validity and Severability

The invalidity or unenforceability of any provision of the Plan will not affect the validity or enforceability of any other provision of the Plan, which will remain in full force and effect, and any prohibition or unenforceability in any jurisdiction will not invalidate that provision, or render it unenforceable, in any other jurisdiction.

Unfunded Obligation

All severance payments and benefits under the Plan constitute unfunded obligations of the Company. Severance payments will be made, as due, from the general funds of the Company. The Plan constitutes solely an unsecured promise by the Company to provide severance benefits to you to the extent provided in the Plan. For avoidance of doubt, any medical, dental or life insurance coverage to which you may be entitled under the Plan will be provided under other applicable employee benefit plans of the Company.

Type of Plan and Governing Law

This plan is designed to qualify as a severance pay arrangement within the meaning of Section 3(2)(B)(i) of ERISA and is intended to be excepted from the definitions of “employee pension benefit plan” and “pension plan” set forth under Section 3(2) of ERISA and is intended to meet the descriptive requirements of a plan constituting a “severance pay plan” within the meaning of the regulations published by the Secretary of Labor. The Plan and all rights under it will be governed and construed in accordance with ERISA and, to the extent not preempted by Federal law, with the laws of the State of Florida.

Assignment

The Plan will inure to the benefit of and will be enforceable by your personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If you should die while any amount is still payable to you under the Plan had you continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of the Plan to your estate. Your rights under the Plan will not otherwise be transferable or subject to lien or attachment.

Other Benefits

Nothing in this document is intended to guarantee that benefit levels or costs will remain unchanged in the future in any other plan, program or arrangement of the Company (or any of its affiliates). The Company and its affiliates and subsidiaries reserve the right to terminate, amend, modify, suspend, or discontinue any other plan, program or arrangement of the Company or its subsidiaries or affiliates in accordance with the terms of that plan, program or arrangement and applicable law.

Oral Statements

The provisions of this document supersede any oral statements made by any employee, officer, or member of the CSX Board regarding eligibility, severance payments and benefits.

Successors and Assigns

This Plan will be binding upon and inure to the benefit of the Company and its successors and assigns and will be binding upon and inure to the benefit of you and your legal representatives, heirs and legatees.

Code Section 409A

Exemption

It is intended that payments of your Pro Rata Bonus, Target Bonus and Severance Pay under the Plan will be exempt from Code Section 409A as “short term deferrals” or, to the extent payments (i) do not exceed two times the lesser of (1) the employee’s total annual compensation based on the employee’s annual rate of pay for the prior taxable year (adjusted for any increase that was expected to continue indefinitely) or (2) the limitation under Code Section 401(a)(17) for the year in which the employee has a separation from service within the meaning of Code Section 409A and Treasury regulation Section 1.409A-1(h) (\$270,000 in 2017 (2x = \$540,000)), and (ii) are paid in full no later than December 31st of the second year following a separation from service or to the extent that such payments otherwise fit within an exemption provided by Code Section 409A or applicable guidance. Similarly, other benefits provided under the Plan are intended to be exempt from Code Section 409A to the extent an exemption is applicable.

Specified Employees

In general, Code Section 409A prohibits certain payments of nonqualified deferred compensation (within the meaning of Code Section 409A) to “Specified Employees” (generally defined as Vice Presidents or higher) within six months following the Specified Employee’s separation from service. This rule does not apply to amounts which are exempt from the requirements of Code Section 409A. To comply with this rule and notwithstanding any other provision of the Plan to the contrary, if any payment or benefit under the Plan is subject to Code Section 409A, and if such payment or benefit is to be paid or provided on account of the employee’s Termination Date and if the employee is a Specified Employee (within the meaning of Code Section 409A(a)(2)(B)) and if any such payment or benefit is required to be made or provided prior to the first day of the seventh month following the employee’s Termination Date, such payment or benefit shall be delayed until the first day of the seventh month following the employee’s separation from service and shall at that time be paid in a lump sum (or, in the case of a non-cash benefit, shall be provided in a manner that is consistent with Code Section 409A). Any amount that would have been paid or provided during this six-month period will be paid on the first business day of the seventh month following the separation from service, or, if earlier, the date of the individual’s death.

Statement of Intent

To the fullest extent possible, amounts and other benefits payable under the Plan are intended to be exempt from the definition of “nonqualified deferred compensation” under Code Section 409A in accordance with one or more exemptions available under the final Treasury regulations promulgated under Code Section 409A. To the extent that any such amount or benefit is or becomes subject to Code Section 409A, this Plan is intended to comply with the applicable requirements of Code Section 409A with respect to those amounts or benefits so as to avoid the imposition of taxes and penalties. This Plan will be interpreted and administered to the extent possible in a manner consistent with the foregoing statement of intent.

If you notify the Company (specifying the reasons for your position) that you believe that any provision of this Plan or of any payment to be made or benefit granted under this Plan would cause you to incur any additional tax, penalty or interest under Code Section 409A, and if the Company concurs, or if the Company (without any obligation whatsoever to do so) independently makes such a determination, the Company will, after consulting with you and to the extent permitted by law, reform the provision to try to comply with Code Section 409A or to be exempt from Code Section 409A to the extent possible without thereby creating other liability, including liability for any other Plan participant. The Company in its sole discretion may modify, or cause to be modified, the timing of payments and benefits under the Plan for the sole purpose of exempting those payments and benefits from Code

Section 409A. To the extent that any payment or benefit under the Plan is modified to comply with Code Section 409A or to be exempt from Code Section 409A, the modification or exemption will be made in good faith and will, to the maximum extent reasonably possible, maintain the original intent and economic benefit to you and the Company and its affiliates of the applicable payment or benefit without violating the provisions of Code Section 409A.

In no event whatsoever will the Company or any of its affiliates be liable for any additional tax, interest or penalties that may be imposed on you by Code Section 409A or any damages for failing to comply with Code Section 409A.

Administrative Information About Your Plan

Employer Identification Number

The Company's employer identification number is 62-1051971.

Claim for Benefits

If you believe that you are entitled to payments and benefits under the Plan that are not provided to you, or you disagree with any other action taken by the Plan Administrator with respect to the Plan, then you may submit a claim to the Plan Administrator in writing. A claim must be made in writing and submitted within 6 months of your Termination Date. In the event you make a claim for benefits beyond six months of your Termination Date, then you are expressly precluded from receiving any severance payments and/or benefits under the Plan.

Claims Review Procedures

You will be notified in writing by the Plan Administrator if your claim under the Plan is denied.

If a claim for benefits under the Plan is denied in full or in part, you* may appeal the decision to the Plan Administrator.

To appeal a decision, you* must submit a written document through the U.S. Postal Service or other courier service appealing the denial of the claim within 60 days after you receive notice of the claim denial described above. You* may also include information or other documentation in support of your claim.

You* will be notified of a decision within 90 days (which may be extended to 180 days, if required) of the date your appeal is received. This notice will include the reasons for the denial and the specific provision(s) on which the denial is based, a description of any additional information needed to resubmit the claim, and an explanation of the claims review procedure. If the Plan Administrator requires an extension of time to respond to your appeal, you* will receive notice of the reason for the extension within the initial 90-day period and a date by which you can expect a decision.

If the original denial is upheld on first appeal, you* may request a review of this decision. You* may submit a written request for reconsideration to the Plan Administrator (as listed below) within 60 days after receiving the denial.

You* can review all plan documents in preparing your appeal and you* may have a qualified person represent you* during the appeal process. Any documents or records that support your position must be submitted with your appeal letter.

The case will be reviewed, and you* will receive written notice of the decision within 60 days (which may be extended to 120 days, if required). The written notice will include the specific reasons for the decision and specific reference to the Plan provision(s) on which the decision is based.

Any decision on final appeal will be final, conclusive and binding upon all parties. If the final appeal is denied, however, you will be advised of your right to file a claim in court. It is the Company's intent that in any challenge to a denial of benefits on final appeal under these procedures, the court of law or a professional arbitrator conducting the review will apply to a deferential ("arbitrary and capricious") standard and not a de novo review.

* Or your duly authorized representative.

* Or your duly authorized representative.

Legal Action

You may not bring a lawsuit to recover benefits under the Plan until you have exhausted the internal administrative process described above. No legal action may be commenced at all unless commenced no later than one year following the issuance of a final decision on the claim for benefits, or the expiration of the appeal decision period if no decision is issued. This one-year statute of limitations on suits for all benefits will apply in any forum where you may initiate such a suit.

Plan Administrator

The administration of the Plan is the responsibility of the Plan Administrator. The Plan Administrator has the discretionary authority and responsibility for, among other things, determining eligibility for benefits and construing and interpreting the terms of the Plan. In addition, the Plan Administrator has the authority, at its discretion, to delegate its responsibility to others. The chart at the end of this Section contains the name and address of the Plan Administrator. Notwithstanding the foregoing, if and to the extent required by applicable law, the rules of any applicable securities exchange on which the shares of the Company common stock is traded or the Company's by-laws or articles of incorporation, the Plan will be administered by the Senior Vice President and Chief Administrative Officer.

Your Rights and Privileges Under ERISA

As a participant in the Plan, you are entitled to certain rights and protection under ERISA. ERISA provides that you shall be entitled to:

Receive Information About Your Plan and Benefits

Examine, without charge, at the Company's offices and at other specified locations all documents governing the plan filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan and updated Summary Plan Description. The administrator may make a reasonable charge for the copies.

Prudent Actions by Plan Fiduciaries

In addition to creating certain rights for you, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a welfare benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a welfare benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a medical child support order, you may file suit in a Federal court.

If it should happen that plan fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210.

You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration at 1-866-444-EBSA (3272) or accessing their website at <http://www.dol.gov/ebsa>.

Other Administrative Facts

Name of Plan	CSX Corporation Executive Severance Plan and Summary Plan Description
Type of Plan	"Welfare" plan
Plan Records	Kept on a calendar-year basis
Plan Year	January 1— December 31
Plan Funding	Company provides severance benefits from general assets.
Plan Sponsor	CSX Corporation
Plan Number	531
Plan Administrator and Named Fiduciary	Senior Vice President and Chief Administrative Officer 500 Water Street Jacksonville, FL 32202
Agent for Service of Legal Process on the Plan	CSX Corporation Corporate Secretary 500 Water Street Jacksonville, FL 32202
Trustee	Not applicable
Insurance Company	Not applicable

Glossary

It is important to know about the following terms as they apply to the Plan.

Base Salary	Your annual base rate of salary in effect as of your Termination Date (determined without regard to any reduction in your rate of Base Salary under circumstances that constitute Good Reason), including salary reductions under Code Sections 132(f), 125, 137, or 401(k), and excluding overtime, bonuses, income from stock options, stock grants, dividend equivalents, benefits-in-kind, allowances (including, but not limited to, car values, vacation bonuses, food coupons) or other incentives, and any other forms of extra compensation.
Bonus	The annual incentive bonus to which you would have been entitled for the year in which your Termination Date occurs as determined under the applicable MICP, had your Termination Date not occurred, based on satisfaction of applicable performance criteria.
Cause	Cause is defined in the Eligibility For Severance Benefits Section, under the subheading, "Cause".
COBRA	The continuation coverage provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended. It is a federal law allowing certain individuals, under certain circumstances, to continue group health coverage that would otherwise end due to certain qualifying events, including termination of employment.
Code	The Internal Revenue Code of 1986, as amended, which is the Federal tax code.
Code Section 409A	Section 409A of the Code, the Treasury regulations promulgated thereunder and any other applicable IRS guidance with respect thereto.
Company or CSX	CSX Corporation.
Compensation Committee	The Compensation Committee of the Company Board.
CSX Board	The Board of Directors of CSX.
CSXtra	The CSXtra 401(k) Plan.
Disability	Disability is defined in the Eligibility for Severance Benefits Section, under the subheading "Ineligibility for Severance Benefits".
Effective Date	February 22, 2017.
Equity Award	Any equity or equity-based award granted under the Company's Equity Incentive Plans.
Equity Incentive Plans	The CSX Stock and Incentive Award Plan and any other shareholder-approved equity incentive plan maintained by the Company.

ERISA	The Employee Retirement Income Security Act of 1974, as amended, which is a Federal employee benefits law.
Executive Separation Agreement & General Release	An Executive Separation Agreement & General Release in a form determined by the Company which an employee is required to execute and which must become effective as a condition of Severance Pay and benefits under the Plan. The Agreement will include, but is not limited to: a confirmation of your waiver of entitlements under any change in control agreement, a general release of claims against the Company, its subsidiaries, its affiliates and their respective officers, directors, employees and agents; certain restrictive covenants and obligations including, but not be limited to, non-competition and non-solicitation covenants for a period of one year following the Termination Date; and agreements not to make use of confidential or proprietary information of the Company, its subsidiaries or its affiliates, not to disparage or encourage or induce others to disparage the Company, its subsidiaries, its affiliates or their respective products, and to cooperate with the Company, its subsidiaries and its affiliates concerning legal matters.
Good Reason	Good Reason is defined in the Eligibility for Severance Benefits Section, under the subheading “Good Reason.”
IRS	The Internal Revenue Service.
MICP	The CSX Management Incentive Compensation Plan in effect for the relevant year.
Participation Agreement	A Participation Agreement in a form provided by the Company to you in connection with you becoming a participant in the Plan, which (i) provides that you will be eligible to receive benefits under the Plan upon the occurrence of a qualifying termination, and (ii) includes an agreement by you to waive any rights to other severance you may have under any other plan maintained by the Company or any of its affiliates or any agreement between you and the Company or any of its affiliates, including an agreement by you that the provisions of the Company’s form change in control agreement providing benefits in connection with a termination of employment prior to a change in control shall be null and void if your Termination Date occurs prior to February 22, 2018 and in that event you will be entitled solely to the severance benefits under this Plan.
Pension Enhancement	The additional age and years of service credit under the Pension Plan described in the “Pension Enhancement” section.
Pension Plan	The CSX Pension Plan.
Plan	The CSX Corporation Executive Severance Plan, as set forth in this document.
Plan Administrator	The Senior Vice President and Chief Administrative Officer of the Company.
Pro Rata Bonus	Your Pro Rata Bonus as described in the “Severance Payments and Benefits” section of the Plan, under the subheading “Pro Rata Bonus”.
Prorated Equity Award Vesting	The treatment of your Equity Awards described in the “Prorated Equity Award Vesting” section.
Release Requirement	The requirement to execute an Executive Separation Agreement & General Release, and not revoke such execution, within the time periods set forth in such Executive Separation Agreement & General Release.

Severance Pay	Severance Pay is the cash payment in respect of your Base Salary and Target Bonus to which you are entitled under the Plan, as described under the subheading “Severance Pay”.
Specified Employee	Specified Employee is defined in the Code Section 409A Section, under the subheading “Specified Employees”.
Target Bonus	The amount of your Target Bonus opportunity under the MICP for the year in which your Termination Date occurs.
Termination Date	The date on which your employment with the Company and its affiliates terminates for any reason. To the extent that any payments or benefits under the Plan are subject to Code Section 409A, the determination of whether your Termination Date has occurred (or whether you have otherwise had a termination of employment) shall be made in accordance with the provisions of Code Section 409A and the guidance issued thereunder without application of any alternative levels of reductions of bona fide services permitted thereunder.