

CASH BALANCE BENEFIT

CSX PENSION PLAN

SUMMARY PLAN DESCRIPTION

January 1, 2016

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1. Your CSX Pension Plan

The CSX Pension Plan is designed to help you build financial security for the future.

The CSX Pension Plan (also referred to as the “Plan”) became effective January 1, 1982. The Plan was established to provide retirement income to supplement your Social Security and Railroad Retirement benefits, and your personal savings and salary deferrals under other Company plans, as applicable.

This summary reflects the major provisions of the Plan as amended and restated January 1, 2016.

Although CSX Corporation (CSX) intends to maintain the Plan indefinitely, CSX, by action of its Board of Directors (or its delegate), retains the right to make additional amendments to the Plan or to terminate the Plan at any time and for any reason in any manner not prohibited by applicable law, as described further in the section of this summary entitled Amendment of the Plan.

This summary plan description summarizes in non-technical language how the Plan works and how you become eligible to receive benefits from the Plan. This description is only a summary of the main provisions of the Plan. It does not take the place of the Plan document. The explanations in this summary plan description cannot alter, modify or otherwise change the controlling Plan document nor can any rights accrue by reason of any statement or omission here in. If there is a conflict between the provisions of the Plan and this description, the Plan provisions will control in all cases. Any amendment to the Plan to comply with a change in the law, and therefore the provisions in this summary describing those changes, is subject to the approval of the Internal Revenue Service.

The Plan Administrator is the Committee and its Members elected by the CSX Corporation Fiduciary Oversight Committee (the “Plan Administrator”).

The Plan Administrator has delegated the day-to-day ministerial administration of the Plan to the CSX Benefits Department. The Plan Administrator has the absolute and exclusive authority to interpret the provisions of the Plan and the Plan’s rules pertaining to eligibility, qualification for benefits, the accrual of benefits and this summary plan description. In interpreting this summary plan description, the Plan Administrator will rely on the governing Plan document.

The Plan Administrator has complete discretion concerning all matters related to the operation of the Plan (except where that authority has been delegated to another like the Investment Committee) and its decisions regarding the interpretation of the Plan document and summary plan description are conclusive and binding on all persons.

This summary plan description has been prepared for individuals hired as salaried employees after December 31, 2002, certain rehires, and individuals who first become eligible and are credited with their first hour of service after such date. The benefits of salaried employees who were hired, transferred or promoted from a contract position to CSX or an affiliated employer that adopted the Plan on or before December 31, 2002, are described in a separate summary plan description .

The actual text of the Plan document is available for your examination during normal business hours. If you would like a copy of the Plan document or if you have any questions about the Plan or this summary plan description, please contact the CSX Pension Center at 1-866-279-7297.

2. Plan Participation and Cost

Generally, you are eligible to become a Member of the CSX Pension Plan and entitled to the benefits described in this summary if you are either (i) a salaried non-union employee of a participating company and working in an eligible classification as set forth in the Plan or (ii) an hourly non-union employee of a participating company whose employer has elected to cover you and other similarly situated persons. The Company pays the full cost of the Plan.

Participating Companies

Once you become eligible, you may participate in the CSX Pension Plan if you are employed by a participating company. A list of these companies is maintained by the CSX Benefits Department. If you would like a copy of the most current list, contact the CSX Pension Center at 1-866-279-7297.

Eligibility

You are an eligible employee if you are hired as a salaried non-union employee working in an eligible classification including those promoted or transferred into such a salaried non-union employee position. Certain non-union hourly employees of participating employers are also covered if any such participating employer elects to provide such coverage under the terms of the Plan.

Effective May 1, 2010, there are no age or service eligibility requirements. Most eligible employees become “Members” of the Plan (“Members”) on their date of hire. Other eligible employees become Members on the date they are promoted or transferred to a Plan eligible salaried non-union position.

Rehired Employees. If you are a non-vested former Member of the Plan and are rehired before you have a five-year break in service, you may become vested in the Plan benefit you accrued before your rehire date. Effective May 1, 2010, if you are rehired into an eligible employee classification, you will eligible to immediately accrue benefits under the cash balance benefit provisions of the Plan as described herein, unless you have an accrued benefit under the traditional benefit portion of the Plan.

Transferred Employees. If you transfer to CSX or a participating company from an affiliated CSX company that has not adopted the Plan, or you are transferred or promoted from a position not eligible for coverage under the Plan to a position that is eligible for coverage after December 31, 2002, you will be eligible to accrue benefits under the cash balance portion of the Plan on the effective date of your transfer.

Union Employees. If you are a union employee of CSX or a participating company who is covered by a collective bargaining agreement that does not provide for Membership in the Plan and you are transferred or promoted to a position after December 31, 2002, that is eligible for Plan Membership, you will be eligible to accrue benefits under the cash balance portion of the Plan from the effective date of your transfer.

Ineligible Employees. You are not an eligible employee if you are classified as an independent contractor (whether or not the classification is determined to be correct as a matter of law), or you are classified as a leased employee, an employee covered under a collective bargaining agreement (unless such agreement provides for your participation in the Plan), an employee transferred to employment with the Company from employment with a foreign affiliate (and you continue to accrue benefits under the retirement plan of the foreign affiliate), a nonresident alien who receives no income from sources within the United States, or an employee who is paid on an hourly basis unless your employer has elected to cover you and other similarly-situated persons, or any person who is accruing pension benefits under a non-governmental retirement plan in a country other than the United States or Canada to which CSX contributes. Any employee of SL Service, Inc. or any of its subsidiaries or affiliates will not be an “eligible employee” for Plan participation purposes.

Once you have satisfied the eligibility requirements, you automatically become a Member of the Plan. Enrollment by you is not required.

Reemployment

If you leave the employment of CSX or its participating affiliates after becoming a Member of the Plan, the following rules will apply to your Membership if you later return to the employment of CSX or a company participating in the Plan in an eligible classification:

- If you are vested in your accrued benefit (see the section Vesting), you will become a Member immediately upon your reemployment;
- If you are not vested in your accrued benefit, but you have not incurred five consecutive one year breaks in service (see the section Vesting), you will become a Member immediately upon your reemployment; or
- If you are not vested in your accrued benefit, and you have incurred five or more consecutive one-year breaks in service, you will become a Member immediately upon your reemployment, but your pre-break service years and pre-break accrued benefit are permanently forfeited (lost) for all purposes (see the section Vesting).

Plan Cost

CSX and its participating affiliates pay the full cost of the Plan by making contributions to a trust fund that is held for the benefit of Plan Members. You are not required or permitted to contribute to the Plan, nor may you have money transferred to this Plan from another retirement Plan or IRA. An actuary annually determines the amount that must be contributed to the trust fund to provide for current and future pension benefits. The money in the trust fund is held for the exclusive benefit of Plan Members and their beneficiaries and to discharge certain Plan administration expenses. Amounts held in the trust fund cannot be returned to the Company until all benefits earned by Members have been paid.

3. What “Service” Means

Your eligibility to receive a pension benefit and the amount of your benefit are determined at least in part by your “service.” Service is counted two different ways under the Plan – vesting service and credited service.

How is Service Counted?

In general, “service” means the length of time you work for the Company, from the day you are first employed and complete one hour of service to the day you leave the Company for any reason, including your retirement, death, discharge, or voluntary termination (your severance date). There are two different types of service under the Plan – vesting service and credited service.

What does “Company” mean for purposes of calculating service?

Generally, with respect to vesting service, unless otherwise specifically provided, “Company” means any entity that is part of CSX Corporation’s “controlled group” under the Internal Revenue Code from the date the entity became a Member of the controlled group. For benefit accrual or credited service purposes, unless otherwise specifically provided, Company includes only members of CSX’s controlled group of companies while participating in the Plan from the effective date of such entity’s participation until such participation ends if applicable.

Military Duty. You will receive “vesting” service and “credited” service for active military duty in the United States armed forces or in the Armed Forces of Canada, in the case of a Canadian citizen, if you return to Company employment while your reemployment rights are protected by the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) or Canadian law, as applicable.

Vesting service is the length of your employment with the Company as a common law employee. Your vesting service determines your right to receive a benefit under the Plan. Vesting service is counted in years and months; twelve months of vesting service equals a year of service. If you work one hour in a month, you receive credit for the entire month.

All service with the Company is recognized for vesting purposes but may not be counted for benefit value purposes.

Credited service is the length of service used to calculate your Pay Credits under the Plan. See How Your Benefit Is Calculated. It is calculated in the same manner as vesting service except it excludes any period between a severance date and a date of rehire.

You may also earn vesting service and credited service for some periods you are not actually at work. For instance, you will be entitled to vested and credited service while on short term disability.

4. Vesting

You earn a non-forfeitable right to a pension benefit through service with the Company. This is called vesting.

You become vested in the Plan when you have accumulated three years of vesting service (five years of vesting service prior to January 1, 2008). As a vested Member, you are eligible to commence your benefit under the Plan at your normal retirement date (see the section Normal Retirement). Or, if you leave the Company's employment before you retire, you may also commence receiving your benefit immediately upon your severance from employment. An exception to the three year requirement applies if you attain age 65 while working for the Company; at that point you are automatically vested even if the vesting service you have earned is less than three years. If you terminate employment and then later are rehired by the Company, service accumulated prior to leaving the Company may count toward your vesting and credited service depending on how long you have been working for someone else. This is determined under the Plan's "break in service" rules.

Break In Service

A "break in service" occurs when you are not credited with an hour of service for the one year period after you have a severance from service from the Company.

Hours of Service. You can get credit under the Plan for two kinds of hours of service – work hours and paid non-work hours. Work hours are the hours you are paid by the Company for performing your job. Paid non-work hours include military and jury duty, vacations, illnesses, holidays, and absences for short-term disability.

However, notwithstanding the above, you will not have a break in service because either you:

- are on an authorized leave of absence approved by the Plan Administrator (For participation and vesting purposes only, this includes an unpaid leave of absence under the Family or Medical Leave Act.), or
- are on active military duty and return to work within the time set by law.

Generally, if you have a break in service but it occurs **after** becoming vested (for example, you have accumulated three years of vesting service), all your prior vesting and credited service will be counted if you return to work for the Company. This will not occur, however, if you receive a distribution of your vested benefit prior to returning to work. In this case, you must repay the

distribution within five years of your return to work to reinstate in your prior service. You should contact the CSX Pension Center at 1-866-279-7297 if this circumstance applies to you.

If you have a break in service before becoming vested in your Plan benefit, your vesting service and credited service are treated as indicated below:

- If you are rehired by the Company in any position, all past vesting and credited service under the Plan will be restored if the break in service period does not exceed five years. If that is the case, the vesting service and any accrued credited service you earn from your rehire date will be added to your pre-break vesting service and any accrued credited service.
- If your break in service period is longer than five years, your earlier vesting and credited service are permanently forfeited (lost). If you are rehired later by the Company, you will be treated as a new employee under the Plan.
- Special rules apply to authorized absences not to exceed one year due to Parental Leave because of your pregnancy, the birth of your child or adoption, and unpaid leave of absence under the Family Medical Leave Act and generally will not cause a break in service. The Plan Administrator can provide you with more information if this applies to you.

5. How Your Benefit is Calculated

Your pension benefit is based on your accumulated “account” balance.

The Plan is a “defined benefit” plan. This means the benefit you receive at retirement is defined, or determined, by a formula in the Plan. The Plan uses a cash balance formula which applies Interest Credits and Pay Credits (based on your age, credited service and earnings) to your “account” under the Plan each month you are employed in an eligible classification and an active Member in the Plan. The term “account” is used to refer to the sum of your Pay Credits and Interest Credits as of any specified date. “Accounts” in the Plan are hypothetical and are maintained solely for accounting purposes to establish a value of benefit. Therefore, your account in the Plan is not the same as your account in the CSX Corporation 401(k) Plan which represents actual contributions allocated to you.

The Cash Balance Benefit Formula

Each month you are employed in an eligible classification, your “account” will be credited with a Pay Credit and an Interest Credit. At retirement, the total value in your “account” is used to fund a benefit which assumes retirement at age 65 and is payable monthly for your life. This is referred to as your “normal retirement benefit.” For an example of monthly credits to your “account,” refer to [Example of Monthly Credits](#).

Factors Affecting Your Benefit

The value of your pension benefit is determined by your Pay Credits (based on your age, credited service and earnings) and Interest Credits. The determination of credited service is described in

How Is Service Counted? The meanings of Age, Pay Credits and Interest Credits for Plan purposes are described in more detail below.

The amount of your benefit depends in large part on the form of benefit you elect. See How You Receive Plan Benefits set forth below.

Age. Your age in completed years as of the last day of the prior month.

Pay Credits. On the last day of each month, a Pay Credit is credited to your “account” if you are employed in an eligible classification on that day. Pay Credits equal the percentage shown in the table below multiplied by your earnings for that month taking into account only that Compensation earned while you are accruing benefits under the Plan.

Effective May 1, 2010, Pay Credits are calculated in two steps.

Points (Age plus Years of Service)	Pay Credit Schedule for Compensation up to and Including the Social Security Taxable Wage Base	Pay Credit Schedule for Compensation that Exceeds the Social Security Taxable Wage Base
Fewer than 45	4.0%	8.0%
45 - 54	5.0%	9.0%
55 - 64	6.0%	10.0%
65 – 74	7.0%	11.0%
75 – 79	8.0%	12.0%
80 or more	10.0%	14.0%

“Points” are equal to the sum of your age and years of credited service as of the last day of the prior month. Assume for example that as of December 31, 2009, you are age 45 and have 1 year of credited service. On January 1, 2010, your Pay Credit percentages are 5.0% (and 9.0%, if applicable) since your points equal 46.

In calculating monthly Pay Credits for Plan Year 2010, the maximum amount of monthly Compensation that may be taken into account is one-twelfth of the Internal Revenue Service Plan year limitation. This equals \$20,416 (\$245,000 divided by twelve). For Plan years 2011 and thereafter, the Plan will apply the Compensation limit on an annual basis. “Social Security Taxable Wage Base” means the maximum amount of earnings subject to tax under the Federal Insurance Contributions Act (FICA) for Social Security benefits and a portion of Medicare benefits. It is indexed annually. In 2010, it is \$106,800.

Pay Credits on Compensation that exceeds the Social Security Taxable Wage Base for the applicable Plan Year do not apply until the Member’s total Compensation exceeds the Social Security Taxable Wage Base for such Plan Year.

Special Transitional Credits. If you are a Member who was entitled to a cash balance benefit on or after January 1, 2003, with less than 70 or 75 points, and reached 75 or 80 points respectively as of April 30, 2010, you will receive additional Pay and Interest Credits. The additional credits are equal to the sum of the differences in (a) and (b):

(a) the Pay Credits you would have received from the date you became a Member through April 30, 2010, based on your points and compensation for the relevant month and based on the Pay Credit schedule effective May 1, 2010, applicable to Compensation up to and including the Social Security Taxable Wage Base (*i.e.*, the first step), and CSX Pension Plan (Cash Balance)

(b) the Pay Credits you actually received based on the Pay Credit schedule in effect through April 30, 2010, plus the aggregate Interest Credits you would have received on such additional monthly Pay Credits.

Members who had a severance date before April 30, 2010, with a vested benefit under the cash balance portion of the Plan will be entitled to an additional benefit from the date they became Members through their severance date. The benefit will be distributed as soon as administratively practicable.

Compensation used for Pay Credits. For the purpose of determining your Pay Credit, your earnings include the following:

- Monthly base pay, including any salary deferral pursuant to a pre-tax contribution election for the Company's health or other welfare benefit programs, to the CSX Tax Savings Thrift Plan (CSXtra), to a non-qualified deferred compensation plan, program, or arrangement maintained by the Company or to purchase vacation on and after January 1 2017;
- Plus Awards of Excellence, Management Incentive Compensation Plan (MICP) bonuses, retroactive pay adjustments, lump sum merit awards, and, effective July 1, 2005, sales commission with respect to Members in the Critical Capacity sales group under the Intermodal Sales Commission Plan. MICP bonuses paid with respect to a Plan Year shall be deemed to have been paid ratably over such Plan Year; and
- If applicable, differential wage payments made to you by the Company during any period of more than 30 days that you are on active duty in the uniformed services.

Earnings does not include:

- Overtime pay, spot awards and sales commissions (except provided above), and all other forms of special pay, such as (but not limited to) cash or non-cash amounts received from Company disability or health plans, company-paid insurance premiums, stay and signing bonuses, financial planning services, suggestion awards, tuition refunds and scholarships, moving expenses and other special payments or amounts, and severance pay;
- Plus employee discounts allowed on stock purchases, stock, income derived from stock appreciation rights, restricted shares, performance shares, phantom stock payments and other equity-based compensation, the imputed value of fringe benefits derived from the use of

Company assets, or income derived from the exercise of stock options or stock appreciation rights, and awards paid under the CSX Long Term Incentive Program or similar plans of the Company.

Earnings Limitation. The Internal Revenue Code limits the amount of annual compensation the Plan can consider in calculating your accrued benefit under the Plan. The limitation in effect in 2016 is \$265,000. This limitation is adjusted periodically based on changes in the cost-of-living.

Interest Credits. On the last day of each month your “account” will also receive an Interest Credit. Interest Credits are applied to your “account” before your Pay Credit, so that any Pay Credit added to your “account” for the current month does not receive Interest Credits until the following month. After you start receiving benefits from the Plan, no additional Interest Credits will be made to your “account.” The Interest Credits applied to your “account” each month are equal to one-twelfth of the average percentage yield on 10-year Treasury Constant Maturities for the twelve months preceding the applicable Plan Year. Effective May 1, 2010, the Interest Crediting rate shall be the greater of 3.66% or the rate described in the preceding sentence.

Example of Monthly Credits

Using the example in What Factors Affect Your Benefit, suppose you receive a monthly Pay Credit of 4% because you are 45 years old and have a year of credited service. Your annual earnings are \$35,000, so we’ll assume monthly earnings of \$2,916.66. Also assume the interest rate is 5 percent, and that your “account” balance at the beginning of the month is \$2,000. Let’s take a look at how your credits will be determined at the end of the month.

<u>Step One:</u>	Determine Interest Credit	Opening balance	\$2,000.00
		Interest rate (5% ÷ 12) = 0.0042	<u>x 0.0042</u>
		Monthly <u>Interest</u> Credit	\$ 8.40
<u>Step Two:</u>	Determine Pay Credit	Monthly earnings	\$2,916.66
		Pay Credit Rate	<u>x 0.04</u>
		Monthly <u>Pay</u> Credit	\$ 116.66
<u>Step Three:</u>	Add Credits	Opening balance	\$2,000.00
		Interest Credit	+ 8.40
		Pay Credit	<u>+ 116.66</u>
		Ending balance	<u>\$2,125.06</u>

Next month, you’ll take the ending balance from Step Three, use it as the opening balance in Step One and start over again. *Remember, this is just an example. The amount you will receive as a Plan Member will depend on your actual Age, credited service, earnings and the Interest Credit rate on the date of determination.*

USERRA Benefits

If you return to the Company after a period of qualified military leave and your reemployment satisfies the requirements of USERRA, you will be entitled to Pay Credits for each month while you were on military leave. Your restoration contribution will be based either on the earnings you would have received during military leave or, if this cannot be determined, your average earnings during the 12-month period immediately before your military leave (or, if shorter, the period of your employment immediately before your military leave).

6. When Benefits Can Begin

“Normal retirement” is assumed to occur at age 65 under the terms of the Plan. You may continue working for the Company after age 65 and delay retirement or, if you leave the Company before age 65, you may be eligible for a benefit provided that you are vested when your employment ends.

Normal Retirement

In general, your “normal retirement date” is the day following the date you reach age 65.

If you timely file your request to commence your pension benefit in advance of your actual termination from service, your pension will commence effective on the day following your last day of active employment. Your first actual payment will be made as soon as practicable and any subsequent payments will be made on the first day of each month thereafter based on the payment option selected by you.

Delayed Retirement

Retirement at age 65, which is assumed to be your normal retirement, is not mandatory. If you continue working past your normal retirement, you will continue to receive Pay Credits and Interest Credits under the Plan. Your delayed retirement date will be the first day of the month following your termination of employment and the Plan Administrator’s receipt of your application to commence your benefit. Your delayed retirement benefit will be based on your accumulated “account” balance accrued while eligible to participate as a Member in the Plan.

Your Required Beginning Date. Payment of your pension benefit must begin no later than your “required beginning date.” Generally, your required beginning date is April 1 following the later of (1) the calendar year in which you reach age 70½, or (2) the calendar year in which you terminate employment. If you work past age 70½ accruing a pension benefit while eligible to participate in the Plan as a Member but begin receiving your pension at your required beginning date, your pension will be adjusted once a year to reflect any additional Pay and Interest Credits less the value of the pension received.

Leaving Employment Prior to Retirement

If you terminate from the Company and do not complete three years of vesting service (five years prior to January 1, 2008) as defined under the Plan, you forfeit (or lose) your right to receive

pension benefits under the Plan. (For more information, see section on Vesting). Note, however, if you are not vested and transfer to a position within the Company, you are eligible to continue to earn vesting service. If you later complete three years of vesting service on or after January 1, 2008, you will become vested in your accumulated “account” balance under the Plan.

Even if you do not reach normal retirement (your age 65), if you have a vested pension benefit, you may begin receiving your benefit after your severance date from the Company upon the filing of your application with the Plan Administrator.

If You Return to Work after You Retire

If you retire or terminate from the Company, are receiving pension benefits in the form of an annuity and are later rehired by the Company as an eligible employee participating in the Plan as a Member for at least eight days a month, your annuity payments will be suspended after you receive written notice. The suspension will start as of the first day of the month coinciding with or next following your receipt of such suspension notice.

During the suspension, your election of an optional benefit payment form will be voided. When your reemployment ends, your pension annuity payments will resume after you make a new election, but the value of your benefit will be recalculated to include any additional Pay Credits and Interest Credits earned but reduced to account for the pension payments already received by you from the Plan.

In no case will your pension benefit be less than the actuarially equivalent pension benefit you accrued before you were rehired.

If you are rehired by the Company after receiving your Plan benefit in the form of a lump sum payment and you are eligible to participate in the Plan, you will again become an active Member as described in the section Plan Participation and Cost. Your prior account (which represents your accrued benefit in the Plan) may be restored, as described in the section Break In Service. But if such prior account is not restored, a new account will be established and will collect Interest Credits and Pay Credits earned after your rehire as provided under the terms of the Plan. When you subsequently terminate employment, you will be assumed to be vested and will be eligible to receive this pension benefit in the elected form of payment.

No payment will be suspended by the Plan unless you are notified by first class mail or personal delivery during the first calendar month or payroll period in which the Plan suspends benefit payments. The notice will describe the specific reasons why your benefit payments are being suspended, a general description of the Plan provisions relating to the suspension of benefits and a copy of such provisions.

Your benefits will begin again no later than the first day of the third calendar month after the calendar month in which you again retire or terminate.

7. How You Receive Plan Benefits

If you are married, the Plan assumes you will receive a monthly annuity for the joint lives of you and your spouse and, if your spouse survives you, he or she will receive 50% of this amount as a monthly annuity for the rest of his or her life. If you are single, the plan again assumes you will receive an annuity for life but one that ends at your death with no other payments being made. However, other forms of payment are available under the Plan including an option to receive payment of your entire pension benefit (your “account”) in the form of a lump sum distribution. Your spouse must consent if you elect to receive such a lump sum payment. You may also, with your spouse’s consent, designate a person other than your spouse to receive your survivor benefits under the Plan.

Before you receive any benefits from the Plan, the Plan Administrator will provide you with a description of the forms of payment and their relative values.

Normal Form of Payment

The Plan’s normal form of benefit payment is assumed to be an annuity commencing at your normal retirement at age 65, paid each month for your life, that is the actuarial equivalent value of your accumulated “account” balance. Generally, if you are married when you elect to commence your pension, your benefit will be paid in the form of a joint and survivor annuity with a 50% survivor’s benefit payable to your surviving spouse. If you elect to receive your benefit in a form other than a joint and survivor annuity offered under the Plan, your spouse will have to consent to the form of distribution you elect.

Cash-Out of Small Payments

If the value of your vested “account” balance is \$5,000 or less, (i) you may elect to receive it as a lump sum payment without the consent of your surviving spouse or (ii) the Plan may cash you out by paying such a lump sum payment regardless of any election by you. Any cash out payment will be made as soon as administratively convenient following your termination of service. You may not elect an annuity form of payment if your vested “account” balance is \$5,000 or less. If you die before receiving such a lump sum payment where eligible, it will be paid in a lump sum to your surviving spouse, beneficiary, or alternate payee.

Mandatory Rollover Distributions. If you do not elect to receive your distribution directly or if you do not have it paid to another employer’s retirement plan or an individual retirement account (an IRA), the Plan will make in a direct rollover distribution to an IRA established on your behalf by the Plan Administrator in accordance with federal rules. The IRA selected by the Plan Administrator will be sponsored by a state or federally regulated financial institution and will be designed to preserve principal and provide a reasonable rate of return, consistent with liquidity. The fees and expenses associated with maintaining the IRA will be comparable to those charged for an IRA established for reasons other than the receipt of a mandatory rollover distribution. You will have the right to enforce the terms of the IRA established on your behalf and also to transfer the balance in any such IRA to another IRA of your selection. If your Plan benefit is distributed

and rolled over to such an IRA on your behalf, you will be notified at such time in a letter sent to your address on file and provided more information about the IRA.

Optional Forms of Payment

You may choose to receive your pension benefit in one of the following “optional” forms of payment beginning when you have a severance from employment with a vested benefit or no later than your 70th birthday:

Lump Sum Option. You may choose to receive a lump sum payment equal to your accumulated “account” balance. If you are married, you may not elect a lump sum payment unless your spouse gives written approval and such approval is signed by your spouse in the presence of the Plan Administrator or a Notary Public. To elect the lump sum payment, you must make a written election by completing and submitting the appropriate form provided by the CSX Pension Center (toll-free 1-866-279-7297).

Tax Treatment of Lump Sum Payments: The Plan is required to withhold 20% for federal income taxes on a lump sum payment made to you. You may avoid withholding if you elect to roll over the lump sum payment directly to an IRA or to the retirement plan of another employer that accepts your “rollover.” Upon your termination of employment, you will be provided with a “Special Tax Notice” that provides more information about distributions that are eligible for rollover.

75% and 100% Surviving Spouse Options. Instead of receiving a 50% survivor annuity (see discussion in the section Normal Form), you may elect to receive monthly payments during the joint lives of you and your surviving spouse and, if he or she survives you after your death, he or she receives a survivor’s benefit equal to 75% or 100% of the monthly benefit payable to you during your joint lives. Because these options pay larger survivor amounts, your benefit will be actuarially reduced to help pay for them.

To elect either the 75% or the 100% survivor benefit, you must make a written election by completing and submitting the appropriate form provided by the CSX Pension Center (toll-free 1-866-279-7297). Once payments begin, you may not change the election and you will continue to receive the reduced benefit during your life even if your spouse predeceases you.

Generally, for your spouse to qualify as a “surviving spouse,” you and your spouse must have been married throughout the one-year period ending on your annuity starting date or your date of death, if earlier. If you were married within the one-year period preceding your annuity starting date and are married for at least a one-year period ending on or before your death, your spouse will be treated as your surviving spouse.

Surviving Non-Spouse Options

If you are married, you may designate someone other than your surviving spouse to receive your survivor’s benefit but only if your surviving spouse gives written approval of such designation, and such approval is signed by your spouse in the presence of the Plan Administrator or a Notary Public. Your non-spouse beneficiary can receive a 50%, 75% or 100% survivor’s benefit or a lump sum payment.

If you elect a non-spouse survivor benefit, your monthly benefit may have to be adjusted to assure that it satisfies the incidental death benefit rule under the Treasury regulations. This reduction applies to all three forms of payment: the 50%, 75% and 100% survivor options. The amount of the reduction will vary, depending on your age and the age of your designated beneficiary.

If you are interested in a non-spouse survivor benefit, contact the CSX Pension Center at 1-866-279-7297.

8. If You Die Prior to Commencing your Benefit

If you are vested, your beneficiary will receive a survivor benefit if you die before otherwise commencing your benefit.

The Plan also provides a benefit for your beneficiary if you are vested and die before you have commenced your benefit. All beneficiaries are entitled to receive a lump sum payment equal to your accumulated “account” balance. The lump sum will be paid as soon as administratively convenient after the Plan Administrator receives notification of your death and the proper election forms.

If you are married, however, unless the surviving spouse has elected otherwise, the Plan assumes that your surviving spouse will receive an annuity paid each month for life which is the actuarial equivalent of your accumulated “account” balance commencing as soon as convenient after your death provided applicable election forms are submitted to the Plan Administrator. Alternatively, the surviving spouse may delay receipt of your accumulated “account” balance until the date that would have been your normal retirement date.

If you are not vested in your benefit when you die, no death benefit will be paid.

Cash-Out of Small Payments to Your Beneficiary

If the value of your vested “account” balance does not exceed \$5,000, the full amount will automatically be paid to your beneficiary in a single lump sum as soon as administratively convenient. Your beneficiary may not elect an annuity form of payment or delay receipt of your payment. Instead of receiving a lump sum payment from the Plan, your beneficiary may instruct the Plan to transfer the payment directly to an individual account plan (an inherited IRA).

Naming the Beneficiary of your Survivor Benefit

You designate your beneficiary by completing a beneficiary designation form provided by the Plan Administrator before the date your benefits otherwise begin. If you are married, your surviving spouse is your automatically your beneficiary unless your surviving spouse voluntarily provides written consent to your selection of another beneficiary. Your surviving spouse’s consent must be witnessed by the Plan Administrator or a notary public.

If you are unmarried, you may name anyone as your beneficiary. Under certain circumstances, a beneficiary (or alternate payee under a qualified domestic relations order) also will need to designate a beneficiary.

Heroes Earnings Assistance and Relief Tax Act (HEART Act)

If you die while engaged in qualified military service, your beneficiary will be entitled to any additional benefits (other than benefit accruals relating to your period of qualified military service) provided under the Plan in the same manner as if you had returned to work with the Company and then had a termination of service on account of death.

It is a good idea to review your beneficiary designations from time-to-time to make sure that they reflect your intentions, especially if your marital status changes. Consult the CSX Pension Center at 1-866-279-7297 if you wish to check on your current designations.

9. Applying for Your Pension

When you are ready to commence payment of your benefit, you must file a written application with the Plan Administrator. To avoid a delay in commencement, file your application well in advance of your planned commencement date.

You must make a written application for a benefit under the Plan by completing the form contained in the retirement package which is available from the CSX Pension Center (toll-free 1-866-279-7297).

If you have not elected in a lump sum, benefits are payable in monthly installments for life which are also known as annuity payments. If you are vested, benefit payments in any form may commence as early as the date on which you terminate employment. (Alternatively, you may defer the commencement of your pension until age 70. Consult the CSX Pension Center at 1-866-279-7297 if you wish to defer payment of your benefits.)

Unlike a single lump sum payment, annuity payments, if elected, continue through the month in which you die and, if you have a surviving beneficiary, annuity payments will continue to be paid to your surviving beneficiary commencing with the month following the month in which you die continuing through the month in which your surviving beneficiary dies.

Appeal of a Denied Claim

If all or part of your claim for a benefit is denied, you may request a review of your claim, as described in the section If A Claim Is Denied.

10. Circumstances That Could Affect Your Benefit

Circumstances that could affect the timing or payment of your benefit are summarized in this section.

Limitations on Benefits

Federal law limits the amount of benefits that may be paid by the Plan. For instance, the Plan contains certain limitations on the amount of benefits which can be distributed to the 25 highest paid employees of the Company, under certain circumstances. Also, the Plan places certain

limitations on the amount of annual benefits which may be distributed to Members. For example, the annual normal retirement benefit of a Member cannot exceed the lesser of \$210,000 for the plan year 2016 (which may be adjusted for changes in the cost-of-living index) or the Member's average annual compensation (determined using the Member's highest three consecutive years of compensation). If any benefit limitation affects you, you will be notified.

Transfers Between Affiliated Companies

The Plan has rules applying to employees who transfer among companies within the CSX group of affiliated companies. The rules apply in the following manner:

- If you transfer to a non-participating CSX affiliate, you will retain your "account" balance under the Plan. When you subsequently terminate service with such non-participating affiliate, if you are vested, your Plan benefit will be payable based on the value of your "account" balance at that time.
- If you transfer to or from CSX or any one of its affiliates, your total service with CSX and its affiliates will be taken into account for vesting purposes with respect to any Company plan in which you participate.

Amendment of the Plan

The Board of Directors of CSX Corporation and through a delegation of its authority the Compensation Committee of the Board of Directors of CSX, and, subject to certain restrictions, the Chairman, President and Chief Executive Officer of CSX or the Senior Human Resources Officer of CSX all have the right to amend the Plan, in whole or in part, prospectively or retroactively, at any time and for any reason. No Plan amendment may reduce benefits that have already accrued or reduce the vested interest you have earned before the amendment. The Plan may, however, be amended to reduce or eliminate future benefit accruals. Such actions may be taken at any time and in any manner not prohibited under applicable law.

Termination of the Plan

CSX intends and expects to continue the Plan indefinitely. However, to protect against unforeseen circumstances, the Board of Directors of CSX Corporation reserves the right to discontinue the Plan at any time and for any reason. Such action may be taken by the Board of Directors of CSX Corporation and the Compensation Committee of the Board of Directors of CSX. If the Plan terminates, you will be 100% vested in your accrued benefit. However, your benefit may not exceed limitations imposed by the Internal Revenue Code. If the Plan is terminated, you will be notified by the Company that the Plan is terminating and the date of termination.

Pension Benefit Guaranty Corporation

Since the Plan is a defined benefit plan, benefits are insured by the Pension Benefit Guaranty Corporation (PBGC) if the Plan is terminated. Generally, the PBGC guarantees most vested normal retirement, early retirement, and survivor benefits. However, the PBGC does not guarantee all types or levels of benefits under covered plans, and the amount of benefit protection is subject to certain limitations.

The PBGC guarantees vested benefits at the level in effect on the date of plan termination. However, if a plan has been in effect less than five years before it terminates, or if benefits have been increased within the five years before the plan termination, the whole amount of the plan's vested increased benefits may not be guaranteed. In addition, there is a maximum, adjusted periodically, on the amount of monthly benefit that the PBGC guarantees.

For more information on PBGC insurance protection and its limitations, ask the Plan Administrator or the PBGC. Inquiries to the PBGC should be addressed to the Office of Administrative Review, PBGC, 1200 K Street, N.W., Washington, D.C. 20005. The PBGC Office of Administrative Review also may be reached by calling (202) 326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to (202) 326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at <http://www.pbgc.gov>.

Assignment of Your Plan Benefit to Third Parties

The Plan and federal law provide that your creditors may not attach, garnish, or otherwise interfere with your pension. Your benefit may not be used as collateral for a personal loan or be assigned except to the extent required by law, for instance, in the case of an Internal Revenue Service tax levy, a judgment of conviction for a crime involving the Plan, or a qualified domestic relations order.

Qualified Domestic Relations Orders. A domestic relations order is a judgment, order, or decree that is made under state domestic relations law and which provides for child support, alimony payments, or marital property rights for the benefit of a spouse, former spouse, child, or other dependent of a participant who is an "alternate payee." A domestic relations order that is "qualified" creates or recognizes the alternate payee's right to receive all or a portion of the participant's vested benefits payable under the Plan and meets the statutory requirements. The Plan Administrator is required by law to honor a qualified domestic relations order (QDRO).

You will be notified if the Plan receives a domestic relations order in your name. Information has been developed to assist your attorney in drafting a domestic relations order under the Plan. You or your attorney should contact the QDRO Center at 888-858-5500 for assistance. You may request from the QDRO Center and receive, without charge, a copy of the Plan's procedures for evaluating domestic relations orders.

Loss of Plan Benefits

In addition to the exceptions mentioned under Assignment Of Pension, you can lose benefits under the Plan if your employment with the Company is terminated for any reason, including death, before you are vested in your account; you or your beneficiary fail to submit any necessary documents and/or completed claim forms preventing your claim for benefits from being processed; or you reach one or more limits applicable to your benefit imposed by the terms of the Plan and/or Internal Revenue Code and your benefit is subject to reduction to comply with those limits.

11. General Administrative Information

General information about the Plan that you may find useful.

Plan Sponsor. The Plan is sponsored by:

CSX Corporation
500 Water Street
Jacksonville, Florida 32202

Employer Identification Number. This is the tax identification number assigned to CSX Corporation by the Internal Revenue Service. The CSX Corporation Employer Identification Number (EIN) is 62-1051971.

Plan Administrator. The Plan is administered by:

Plan Administer
c/o Thomas Beyer
CSX Pension Plan
CSX Corporation
500 Water Street, J()%
Jacksonville, FL 32202-4423

CSX Corporation has contracted with outside parties to handle various administrative aspects of the Plan.

Plan Year. The plan year is the calendar year.

Official Plan Name. The official plan name is CSX Pension Plan.

Plan Type. The Plan is a defined benefit plan.

Plan Number. The Plan number is 005.

Trustee. Assets of the Plan are held in trust. The trustee for the Plan is:

The Northern Trust Company
50 South LaSalle Street
Chicago, IL 60675

Appeals Committee. An appeal of a denied claim is heard by the Appeals Committee.

Appeals Committee
CSX Pension Plan
CSX Corporation
500 Water Street, J905
Jacksonville, FL 32202-4423

Agent for Service of Legal Process. The Plan Sponsor acts as agent for service of legal process for the Plan. Legal process should be directed to:

Corporate Secretary Office
CSX Corporation
500 Water Street
Jacksonville, FL 32202-4423

Service for legal process for the Plan may also be served on the Plan's trustee:

The Northern Trust Company
50 South LaSalle Street
Chicago, IL 60675

All correspondence on other matters concerning the Plan should be directed to:

Manager of Retirement Plans
CSX Benefits Department
500 Water Street
Jacksonville, FL 32202-4423

12. Plan Administration

The effect of the Plan Administrator's actions and the duties of the Plan Administrator are discussed.

Effect of Plan Administrator's Actions

The Plan will be interpreted by the Plan Administrator in accordance with its terms and intended meanings. The Plan Administrator has the discretion to make any finding of fact needed to administer the Plan and has the discretion to interpret or construe any ambiguous, unclear or implied (but omitted) term in any manner it deems to be appropriate in its sole judgment. To the extent the Plan Administrator has been granted discretionary authority under the Plan, the Plan Administrator's prior exercise of such authority does not obligate it to exercise its authority in a similar manner thereafter.

If, due to errors in drafting, any provision in the Plan does not accurately reflect its intended meaning, as demonstrated by consistent interpretations or other evidence of intent, the provision will be considered ambiguous and will be interpreted by the Plan Administrator in a manner consistent with its intent. All actions taken and determinations made by the Plan Administrator will be final and binding upon all persons claiming any interest in or under the Plan.

Duties of Plan Administrator

The Plan Administrator is responsible for the general administration and management of the Plan. The Plan Administrator has all of the powers and duties necessary to fulfill its responsibilities including, but not limited to, the following powers and duties:

- To construe and interpret the Plan as it, in its sole discretion, deems appropriate; and
- To determine all questions relating to the eligibility of persons to participate or receive benefits

as it, in its sole discretion, deems appropriate.

13. If A Claim is Denied

If you believe you are entitled to benefits under the Plan, you are entitled to file a written claim with the Plan Administrator in accordance with its claims procedure.

Claim Denials

If all or part of your claim is denied, or if there is a dispute regarding your right to participate in the Plan, you will receive written notice within 90 days after the application has been filed. If your claim is denied, this denial will:

- state the specific reasons why your claim has been denied;
- refer you to the Plan provisions that deal with the claim and why it is denied;
- identify any additional materials or information needed for the claim to be processed and an explanation why that information is necessary; and
- describe the Plan's review procedures and applicable time limits, including your right to bring a civil action under the Employee Retirement Income Security Act of 1974, as amended, following an adverse benefit determination on review.

If it will take more than 90 days to process your claim, you will be notified about the extension and the date you can expect a decision.

Claim Appeals

If you or your beneficiary disagree with the decision of the Plan Administrator, you may request a full and fair review of the claim and the adverse benefit determination by the Appeals Committee. The claims procedure provides claimants with at least 60 days to appeal a denied claim. The review procedure provides you with the opportunity to:

- submit written comments, documents, and records to the claim;
- reasonable access to and copies of documents and records relevant to your claim for benefits, upon your request and free of charge; and
- a review taking into account all information submitted by you relating to the claim, without regard to whether the information was submitted or considered in the initial benefit determination.

After you have made an appeal, the Appeals Committee will make its decision no later than 60 days after it receives your request for a review, unless special considerations require extra time for processing. If this happens, a decision will be made as soon as possible, but not later than 120 days after the Appeals Committee receives the claim.

The Appeals Committee's decision on review will be written (delivered either in hard copy or electronically), and will include specific reasons for the decision and references to the Plan provisions on which the decision is based. An adverse determination will provide a statement that you are entitled to receive upon request and free of charge copies of all documents and records related to your claim for benefits and a statement describing any voluntary appeal procedures, if applicable, and a statement of your right to bring civil action under ERISA. The decision on review is final.

Limitations Period

In the event you wish to file a lawsuit after you have exhausted the claims process, you must do so within two years after the date the claim arose or forever thereafter be precluded from filing a lawsuit because it is time barred.

14. Your Rights Under ERISA

You are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974.

As a participant in the Plan you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974, as amended (ERISA). ERISA provides that all Plan participants shall be entitled to:

- Examine, without charge, at the Plan Administrator's office and at other specified locations, all documents governing the Plan, including insurance contracts, if applicable, and a copy of the latest annual report (Form 5500 Series) 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, including insurance contracts (if applicable), and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Plan Administrator may make a reasonable charge for certain copies.
- Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.
- Obtain a statement telling you whether you have a right to receive a pension at normal retirement age. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every 12 months. The Plan must provide the statement free of charge.

In addition to creating rights for Plan participants ERISA imposes duties upon the people who are responsible for the operation of an employee benefit plan. The people who operate the 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, your union, or any other person,

may fire you or otherwise discriminate against you in any way to prevent you from obtaining benefits or exercising your rights under ERISA.

If your claim 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 materials from the Plan, you must receive them 30 days after of the receipt of your request by the Plan Administrator. However, if the materials have not been received after about 20 days, you are requested to contact the Plan Administrator to see if there are any problems with the request. Then, if you do not receive them 30 days after of your request, you may file suit in 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 Plan Administrator.

The Plan terms require that all claims concerning the Plan be exhausted under the Plan's claims procedure. Provided you have fully exhausted the Plan's claims review procedures, you may file suit in federal or state court if you have a claim which is denied or ignored, in whole or in part. In addition, if you disagree with the Plan's decision on a final appeal or lack thereof concerning the qualified status of a domestic relations order, you may file suit in Federal court after you have exhausted your administrative remedies.

If a Plan fiduciary misuses 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 after exhaustion of the Plan's claim's review procedure, you may file suit in a federal court. In the event of legal action, the court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if the court finds your claim is frivolous.

If you have any questions about the 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 (toll free number 1-866-444-3272) or at the Internet website (www.dol.gov/ebsa).