

Burlington Northern Santa Fe Corporation Audit Committee Charter

This corporate charter (“Charter”) sets forth the purpose and membership requirements of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Burlington Northern Santa Fe Corporation (“BNSF” or “Company”) and establishes the authority and responsibilities delegated to the Committee by the Board.

Purpose: The purpose of the Committee is to provide assistance to BNSF’s Board of Directors in fulfilling its oversight responsibility with respect to:

- the integrity of the financial statements of the Company;
- the performance of the Company’s internal audit function and the independent auditor;
- the independent auditor's qualifications and independence; and
- compliance by the Company with legal and regulatory requirements.

Committee Members

1. Composition and Appointment. The Committee shall consist of no fewer than three members. The members shall be appointed by the Board on the recommendation of the Board's Directors and Corporate Governance Committee. Unless designated by the Board, the Committee shall elect a Chairman. The Board shall consider not only the qualifications of the Director being considered for member appointment, but also the desire of the Director to be a member of this Committee. The Board shall fill vacancies on the Committee and may remove a Committee member from the membership of the Committee at any time with or without cause. Members shall serve until their successors are appointed by the Board.

2. Qualifications. Each member of the Committee shall be an independent Director consistent with the Company’s Corporate Governance Guidelines and the independence and experience requirements of the New York Stock Exchange (“NYSE”). Committee members shall not simultaneously serve on the audit committees of more than two other public companies unless the Board determines in each case that such simultaneous service does not impair the Committee member’s ability to serve, which determination shall be disclosed in the Company’s annual meeting proxy statement. The Board shall determine the overall qualifications of Director nominees for the Committee although each member shall be financially literate within a reasonable period of time after appointment, and at least one member shall possess accounting or related financial management expertise, in both cases as determined by the Board in its business judgment. The Board shall seek members from diverse business and professional backgrounds with outstanding integrity, achievements, judgment and such other skills and experience that will enhance the Committee’s ability to serve the Board.

3. Compensation. Members of the Committee shall, at the discretion of the Board, be entitled to receive fees and expenses for service on the Committee or for service as Chairman of the Committee in addition to the normal fees paid to all Directors.

Authority

4. Advisors and Funding. The Committee shall have the resources and the sole authority to (a) retain and terminate, at the Company’s expense, independent legal, financial, accounting and other advisors it deems necessary or appropriate to fulfill its responsibilities consistent with this Charter, and (b) determine

the compensation of such advisors, which will be paid by the Company. The Company will also provide for appropriate funding, as determined by the Committee, for payment of compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, and ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

5. Investigations. The Committee shall have the authority to conduct investigations that it deems advisable to fulfill its responsibilities.

6. Information. The Committee shall have the authority to require any officer or employee of the Company or its principal operating subsidiaries or any advisor retained by the Company to respond to its inquiries.

7. Charter. The Committee shall have the authority to propose amendments to this charter from time to time, as appropriate, and such amendments shall be presented to the Board for its approval.

8. Delegation. The Committee shall have the authority to delegate authority and responsibilities to a member of the Committee or to subcommittees consisting of two or more members. Any action so delegated shall be effective when approved by the member or subcommittee, and the action taken shall be reported to the Committee at the Committee's next meeting.

Meetings

9. Committee Meetings. The Committee shall meet on a quarterly or more often basis. The Committee Chairman, in consultation with Committee members as required, will determine the frequency and length of the meetings of the Committee. The Committee shall meet periodically with management, the internal auditors, and the independent auditor in separate executive sessions. All actions taken during a meeting by the Committee shall be reported to the Board at the next meeting of the Board. A Committee member is expected to attend Committee meetings.

10. Executive Contacts. The Committee shall maintain free and open communication with the Company's Chief Executive Officer and other executive officers. The Committee can meet, in its sole discretion, in separate, private sessions with executive officers and employees to discuss any matters that the Committee believes should be discussed privately with the Committee.

11. Minutes. Minutes of each meeting of the Committee shall be kept to document the discharge by the Committee of its responsibilities.

12. Quorum. A quorum shall consist of a majority of the Committee's members. The act of a majority of Committee members present at a meeting at which a quorum is present shall be the act of the Committee.

13. Agenda. The Chairman of the Committee will be responsible for the Committee's agenda for each Committee meeting, consistent with this Charter. Each Committee member is free to suggest the inclusion of items not on the agenda.

14. Presiding Officer. The Chairman of the Committee shall preside at all Committee meetings. If the Chairman is absent at a meeting and does not appoint a Committee member to preside at that meeting, then the members present shall select a member to preside.

Responsibilities

Relationship with Independent Auditor

15. Independent Auditor. The Committee shall directly appoint, retain, compensate, evaluate and terminate the independent auditor of the Company. The Committee shall have sole authority to approve the audit engagement fees and terms, as well as all non-audit engagements of the independent auditor. The Committee shall be directly responsible for oversight of the work of the independent auditor regarding financial reporting, for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, including resolution of disagreements between management and the independent auditor, and pre-approval of all non-audit services. The independent auditor shall report directly to the Audit Committee. The Committee shall set clear hiring policies for employees or former employees of the independent auditor.

16. Approval of Services and Fees. The Committee shall pre-approve all auditing services and non-audit services, including the fees and terms thereof, to be performed by the independent auditor or establish pre-approval policies and procedures in compliance with the applicable Securities and Exchange Commission rules, subject to the exceptions for non-audit services described in the Securities Exchange Act of 1934 and rules and regulations thereunder.

17. Proxy Statement Disclosures. Consistent with applicable regulations, the Committee shall (i) review and approve disclosures concerning fees and other matters, including consideration by the Committee of whether non-audit services provided by the independent auditor are compatible with maintaining the independent auditor's independence, and (ii) take steps reasonably designed to assure compliance with SEC requirements that the Committee provide a report in the annual proxy statement disclosing that the Committee has: (a) reviewed and discussed the audited financial statements with management, (b) discussed with the independent auditor the matters required to be discussed by SAS 61, as may be modified or supplemented, (c) received the written disclosures and the letter from the independent auditor required by the Independence Standards Board (ISB) Standard No. 1, as may be modified or supplemented, and has discussed with the independent auditor the independent auditor's independence, and (d) based on the review and discussions described in (a) through (c) above, recommended to the Board that the audited financial statements be included in the Company's Annual Report on Form 10-K.

18. Review of the Relationship with the Independent Auditor. The Committee shall evaluate the independent auditor's qualifications, performance and independence. Subject to applicable rules, the Committee shall, at least annually, obtain and review a report by the independent auditor describing the independent auditor's quality-control procedures, any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by other inquiry or investigation by governmental or professional authorities within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues. This evaluation shall include the evaluation of the lead partner of the independent auditor team, obtaining assurance that audit partner rotations, as required by law, are taking place, and all relationships between the independent auditor and the Company or other factors it deems necessary to assess the independent auditor's independence. The Committee shall present its conclusions with respect to the independent auditor to the Board.

Oversight of Internal Control and Internal Audit Function

19. Review of Internal Control. The Committee shall review with the independent auditor, the Company's internal auditors, and the financial and accounting personnel, major issues as to the adequacy of the internal controls over financial reporting of the Company that have come to their attention, and any special audit steps adopted in light of material control deficiencies.

20. Review of Internal Audit Function. The Committee shall review the performance of the internal audit function of the Company, the proposed audit plans for the coming year, and the coordination of such plans with the independent auditor. The Committee shall also review, as necessary, internal audit responsibilities, budget and staffing. The Committee should periodically receive a summary of findings from completed internal audits and a progress report on the proposed internal audit plan and proposed modifications from the original plan. The Committee shall review the appointment and replacement of the Vice President-Corporate Audit Services. The Committee shall review with the Board any issues that arise with respect to the performance of the internal audit function.

Oversight of Financial Statements and Compliance Matters

21. Financial Reporting. The Committee shall meet to review and discuss the annual audited financial statements and quarterly financial statements with management and the independent auditor, including reviewing the Company's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations." Although management bears the fundamental responsibility for the Company's financial statements and disclosures, the Committee shall review: (a) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles; (b) reports prepared by management or the independent auditor, or both, setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternate GAAP methods on the financial statements; and (c) the effect of accounting and regulatory initiatives on the financial statements of the Company. The Committee shall discuss with management the Company's earnings press releases. In addition, the Committee shall discuss with management the types of financial information, presentations and earnings guidance provided to analysts and rating agencies, which management furnishes to the Committee, as appropriate from time-to-time. The discussion with respect to earnings and guidance need not be in advance of each earnings release or each instance in which guidance is given, but may be done generally with respect to the types of information to be disclosed and the type of presentation made or to be made.

22. Reports from Independent Auditor. The Committee shall regularly review with the independent auditor any audit problems or difficulties and management's response. This review should include any restrictions on the scope of the independent auditor's activities or access to requested information, and any significant disagreements with management. The Committee should review and discuss quarterly reports from the independent auditor on: (a) all critical accounting policies and practices used by the Company; (b) all alternative accounting treatment for policies and practices related to material items that have been discussed with management including the ramifications of the use of alternative treatments and disclosures, and the treatment preferred by the independent auditor; and (c) other material written communications between the independent auditor and management, such as any management representation letter or schedule of unadjusted differences.

23. Risk Exposures. The Committee is responsible for discussing policies and guidelines to govern the process by which risk assessment and risk management is undertaken by the Company. The Committee should discuss the Company's major risk exposures and the steps management has taken to monitor and control such exposures.

24. Whistleblower Procedures. The Committee shall establish and review procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting, internal controls or auditing matters.

25. Legal and Regulatory Matters. The Committee shall assist the Board with oversight of the Company's compliance with legal and regulatory requirements, and review these matters with the full Board. The Committee shall discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies. The Committee shall discuss with the Company's Executive Vice President Law any legal matters that may have a material impact on the financial statements or the Company's compliance policies.

Other Responsibilities

26. Committee Evaluation. The Committee should assess its performance annually and present its evaluation to the Board. This assessment should include the Committee's contribution to the Board and should specifically review areas in which the Board or management believes the Committee's contribution could be enhanced.

27. Respective Roles. The role of the Committee is to exercise the oversight powers and responsibilities set forth in this Charter to monitor and review the activities of management and the independent auditor. It is the responsibility of management, including its executive, financial, accounting and internal audit personnel, to establish, maintain and evaluate disclosure controls and procedures that are adequate to meet operating, financial, and compliance objectives, and that lead them to believe that the Company's financial statements and disclosures are complete and accurate. It is the responsibility of the independent auditor to plan and conduct audits in accordance with generally accepted auditing standards and to determine whether the Company's financial statements present fairly in all material respects the financial position, results of operations and cash flows of the Company.

General

28. Other Activities. The Committee shall perform such other activities as are consistent with this Charter, the Company's By-Laws, and applicable law that the Board or the Committee deems necessary or appropriate.

29. General. While the responsibilities of the Committee set forth in this Charter are contemplated to be the principal recurring activities of the Committee in carrying out its duties, these responsibilities are to serve as a guide with the understanding that the Committee may diverge from them as it deems appropriate given the circumstances.