



## CSX Corporation 2024 Annual Meeting of Shareholders Questions and Answers

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CSX encourages shareholder participation and provides transparency in the virtual Annual Meeting. Below are the questions we received for the 2024 Annual Meeting, either in advance of the meeting or during the Q&A session at the meeting, as well as our responses, including for those questions that we were unable to cover during the meeting. In cases where we received multiple questions on the same topic, we have consolidated those questions and provided a summary response. We have also made minor edits for clarity, corrected typos, removed inappropriate language or language that otherwise violates our published meeting rules of conduct, and removed names of individuals. Any forward-looking statements in our responses reflect management's views as of May 8, 2024. CSX undertakes no obligation to update or revise any such statement. 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. Important assumptions and factors that could cause actual results to differ materially from those in the forward-looking statements are specified in the Company's SEC reports, accessible on the SEC's website at [www.sec.gov](http://www.sec.gov) and the Company's website at [www.csx.com](http://www.csx.com).

- 1. Does CSX have joint labor/management safety action team (JLMSAT)? If not, because of my safety coordinator experience with large governmental entity, I suggest one be formed with labor and management volunteers. The JLMSAT can determine if Precision-Scheduled Railroading is worthwhile and/or needs to be modified.**

**As Joseph R. Hinrichs, President and Chief Executive Officer, shared during the Annual Meeting on May 8, 2024:**

Well, thank you for the question, Eileen. As we just discussed, safety is the number one priority for us all the time in this business, both for our employees and in the communities, we live in and serve. We do actively facilitate safety summits, where senior field leaders work alongside employees in the various levels to look at existing safety practices and develop strategies for improvement.

We also have implemented management labor safety committees that are designated to foster constructive safety discussions between operations leaders and also with our union partners. We are also working with our unions on joint health and safety committees, as you suggested. These discussions are ongoing and we are encouraged by the dialogue. So stay tuned.

- 2. How will the recent collapse of the Francis Scott Key Bridge outside of Baltimore impact CSX?**

**As Joseph R. Hinrichs, President and Chief Executive Officer, shared during the Annual Meeting on May 8, 2024:**

Certainly, Baltimore is critically important to CSX. It's where B&O Railroad started, our beginning of our whole experience here in 1827 and we have a lot of presence in the area. The biggest impact to CSX, as we talked about on our last earnings call, was around export coal. Curtis Bay is our wholly owned, CSX-owned export terminal inside the Port of Baltimore. We export a lot of coal out of there to Asia, to Eastern Europe. And because of the blockage of the port, we have not been able to export coal.

We estimated that was a \$25 to \$30 million revenue hit per month as long as that continued, so we disclosed that in our earnings call. We're very encouraged by what we're seeing as a result of the work in the Port of Baltimore. Everything they've said they're going to do so far, they've hit the dates. So, we anticipate by the end of this month they'll have the channel open to be able to hit a 50-foot depth ocean vessel, which is what we need to load export coal. And so hopefully by the end of this month that will happen and we'll be back into our ability to ship export coal.



In addition to that, we were the first railroad to deliver service between the other ports and Baltimore to move containers. We're very proud of how quickly the CSX team responded to that. And between New York, New Jersey, we were able to set up a train to be able to move containers in and out of Baltimore, given the circumstances. So again, very proud of the work we've done. Our thoughts and prayers go out to the families of the six individuals who lost their lives in the tragic incident. And we're very proud of the work the government's doing so far to get it back up and running by the end of the month.

**3. *When is CSX going back to annual shareholder meetings at the Greenbrier?***

**As Nathan D. Goldman, Executive Vice President – Chief Legal Officer & Corporate Secretary, shared during the Annual Meeting on May 8, 2024:**

I think, as our chairman said earlier in the meeting, since 2019, we elected to conduct these meetings virtually. That was actually prior to the pandemic, turned out to actually be rather advantageous that we had done it in 2019 and we did it in subsequent years. What we have found since then is it's highly efficient and actually gives shareholders more access and opportunity to weigh in through the online process. So as of right now, there is no plan that I'm aware of to return meetings to the Greenbrier, which is a wonderful facility.

**QUESTIONS WE WERE NOT ABLE TO ADDRESS DURING THE ANNUAL MEETING.**

**4. *Why use an auditor that was involved in unpalatable business activity not that long ago, when there are so many other companies?***

The Audit Committee engages in a comprehensive annual evaluation of the independent auditor's qualifications, performance and independence, and believe that the continued retention of the company's independent auditor is in the best interests of CSX and its shareholders.

**5. *When sales and earnings are down and when the stock has underperformed, why should Mr. Hinrichs' base salary increase by over 370% and his total compensation increase by almost \$6 million? Most/all this money should go to the stockholders in the form of increased and/or special dividends. Mr. Hinrichs should make do with the 2022 salary of \$8,348,000 until the company does significantly better.***

The Compensation and Talent Management Committee (CTMC) considers many factors when determining compensation levels for our executive team, including our CEO. In reviewing compensation levels, the CTMC does not rely on any measure, but rather takes a holistic approach and considers numerous factors, which include:

- competitive market data with that of similar positions at general industry companies and peer railroads that are part of an established comparator group for executive compensation purposes;
- effectiveness in developing and implementing the Company's business strategy to support financial and operating performance;
- contribution to the Company's financial and operating results;
- individual performance, criticality of the role and the executive's experience;
- leadership and the executive's contribution to creating an employee culture that aligns with transformational business goals and reinforces the Company's guiding principles; and
- nature, scope and level of the executive's responsibilities internally relative to other executives and externally based on the comparator group.

After evaluating these factors, the CTMC determined the target compensation levels as set forth in our 2024 proxy statement.



6. *The company has in place a director resignation governance policy that provides the Board post election discretion to determine whether to accept or reject the resignation of an incumbent director who fails to be reelected. Does the policy undermine the voting rights of shareholders by allowing the Board to have the final say on the unelected director's status.*

Our governance guidelines require incumbent directors to submit resignations if a director does not receive majority of the votes cast for that director's election. If that happens, the Board decides whether to accept or reject the resignation based on the recommendation of our governance committee.

This more flexible approach allows the Board to: i) engage with shareholders first to understand how we can properly address their concerns, ii) consider that director's skills, qualifications, expertise and contributions, and iii) consider the consequences of that director's immediate departure from the Board before making a decision. This process is less restrictive and rigid to promote stability while taking seriously shareholder concerns with a built-in mechanism to have the director leave the board if that's in the company's best interest.

7. *At the Berkshire Hathaway annual meeting, Warren Buffett and Greg Abel discussed a number of problems facing BNSF. How does CSX's performance compare?*

Given the performance for both CSX and BNSF vary from quarter to quarter, we recommend reviewing the respective railroad's websites for current information on performance.

8. *Is there any type of cargo that you don't haul on the Raritan Valley Line?*

CSX does not operate on the Raritan Valley Line. The Raritan Valley Line is currently operated by New Jersey Transit as a commuter rail line.