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DELTA REPORT

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NSC - NORFOLK SOUTHERN CORP

10-K - DECEMBER 31, 2023 COMPARED TO 10-K - DECEMBER 31, 2022

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
for the fiscal year ended **December 31, 2022** **December 31, 2023**

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
for the transition period from _____ to _____

Commission File Number 1-8339



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

Virginia

(State or other jurisdiction of incorporation or organization)

52-1188014

(I.R.S Employer Identification No.)

650 West Peachtree Street NW

Atlanta, Georgia

(Address of principal executive offices)

30308-1925

(Zip Code)

(855) 667-3655

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

Trading Symbol(s)

Name of each exchange on which registered

Norfolk Southern Corporation Common Stock (Par Value \$1.00)

NSC

New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: NONE

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of the voting common equity held by non-affiliates at **June 30, 2022** **June 30, 2023** was **\$53,336,433,209** **\$51,455,298,277** (based on the closing price as quoted on the New York Stock Exchange on **June 30, 2022** **June 30, 2023**).

The number of shares outstanding of each of the registrant's classes of common stock, at **January 31, 2023** **January 31, 2024**: **227,782,202** **225,881,508** (excluding 20,320,777 shares held by the registrant's consolidated subsidiaries).

DOCUMENTS INCORPORATED BY REFERENCE: Portions of the Registrant's definitive proxy statement to be filed electronically pursuant to Regulation 14A not later than 120 days after the end of the fiscal year, are incorporated herein by reference in Part III.

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PART I

NORFOLK SOUTHERN CORPORATION AND SUBSIDIARIES

Item 1. Business and Item 2. Properties

GENERAL – Norfolk Southern Corporation (Norfolk Southern) is an Atlanta, Georgia-based company that owns a major freight railroad, Norfolk Southern Railway Company (NSR). We were incorporated on July 23, 1980, under the laws of the Commonwealth of Virginia. Our common stock (Common Stock) is listed on the New York Stock Exchange (NYSE) under the symbol "NSC."

Unless indicated otherwise, Norfolk Southern Corporation and its subsidiaries, including NSR, are referred to collectively as NS, we, us, and our.

We are primarily engaged in the rail transportation of raw materials, intermediate products, and finished goods primarily in the Southeast, East, and Midwest and, via interchange with rail carriers, to and from the rest of the United States (U.S.). We also transport overseas freight through several Atlantic and Gulf Coast ports. We offer the most extensive intermodal network in the eastern half of the U.S.

We make available free of charge through our website, www.norfolksouthern.com, our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to those reports as soon as reasonably practicable after such material is electronically filed with or furnished to the U.S.

Securities and Exchange Commission (SEC). In addition, the following documents are available on our website and in print to any shareholder who requests them:

- Norfolk Southern Corporation Bylaws
- Charters of the Committees of the Board of Directors
- Corporate Governance Guidelines
- Categorical Independence Standards
- The Thoroughbred Code of Ethics
- Code of Ethical Conduct for Senior Financial Officers

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RAILROAD OPERATIONS – At December 31, 2022 December 31, 2023, we operated approximately 19,100 route miles in 22 states and the District of Columbia.

Our system reaches many manufacturing plants, electric generating facilities, mines, distribution centers, transload facilities, and other businesses located in our service area.



Corridors with heaviest freight volume:

- New York City area to Chicago (via Allentown and Pittsburgh)
- Chicago to Macon (via Cincinnati, Chattanooga, and Atlanta)
- Central Ohio to Norfolk (via Columbus and Roanoke)
- Birmingham to Meridian
- Cleveland to Kansas City
- Cleveland to Birmingham
- Memphis to Chattanooga

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The miles operated, which include major leased lines between Cincinnati and Chattanooga, and an exclusive operating agreement for trackage rights over property owned by North Carolina Railroad Company, were as follows:

Mileage Operated at December 31, 2022	Mileage Operated at December 31, 2023
---------------------------------------	---------------------------------------

						Second and Other Main Track	Passing Track, Crossovers and Turnouts	Way and Yard Switching	Total
Route Miles				Route Miles					
		Second and Other Route Miles	Passing Main Track	Crossovers and Turnouts	Way and Yard Switching	Total			
		Route Miles	Main Track	Turnouts	Way and Yard Switching	Total			
Owned	Owned	14,312	2,676	1,957	8,158	27,103			
Operated under lease, contract or trackage rights	Operated under lease, contract or trackage rights	4,825	1,889	406	841	7,961			
Total	Total	<u>19,137</u>	<u>4,565</u>	<u>2,363</u>	<u>8,999</u>	<u>35,064</u>			
Total	Total								

In 2022, we entered into an asset purchase and sale agreement with the Board of Trustees of the Cincinnati Southern Railway (CSR) to purchase 337 miles of railway line that extends from Cincinnati, Ohio to Chattanooga, Tennessee that we currently operate under a lease. The transaction is scheduled to close on March 15, 2024. See further discussion in Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Item 8 "Notes to Consolidated Financial Statements."

We operate freight service over lines with significant ongoing Amtrak and commuter passenger operations and conduct freight operations over trackage owned or leased by Amtrak, New Jersey Transit, Southeastern Pennsylvania Transportation Authority, Metro-North Commuter Railroad Company, Maryland Department of Transportation, and Michigan Department of Transportation.

The following table sets forth certain statistics relating to our operations for the past five years:

		Years ended December 31,				
		2022	2021	2020	2019	2018
Revenue ton miles (billions)	Revenue ton miles (billions)	179	178	164	194	207
Revenue ton miles (billions)						
Revenue ton miles (billions)						
Revenue per thousand revenue ton miles						
Revenue per thousand revenue ton miles						
Revenue per thousand revenue ton miles	Revenue per thousand revenue ton miles	\$ 71.35	\$ 62.56	\$ 59.67	\$ 58.21	\$ 55.25

Revenue ton miles (thousands) per railroad employee	Revenue ton miles (thousands) per railroad employee	9,513	9,694	8,191	7,939	7,822
Revenue ton miles (thousands) per railroad employee	Revenue ton miles (thousands) per railroad employee					
Ratio of railway operating expenses to railway	Ratio of railway operating expenses to railway					
Ratio of railway operating expenses to railway	Ratio of railway operating expenses to railway					
Ratio of railway operating revenues (railway operating ratio)	Ratio of railway operating revenues (railway operating ratio)	62.3%	60.1%	69.3%	64.7%	65.4%
operating revenues (railway operating ratio)	operating revenues (railway operating ratio)					
operating revenues (railway operating ratio)	operating revenues (railway operating ratio)					

RAILWAY OPERATING REVENUES – Total railway operating revenues were \$12.7 billion in 2022, \$12.2 billion in 2023. Following is an overview of our three commodity groups. See the discussion of merchandise revenues by major commodity group, intermodal revenues, and coal revenues and tonnage in Item 7 “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

MERCHANDISE – Our merchandise commodity group is composed of four groupings:

- Agriculture, forest and consumer products includes soybeans, wheat, corn, fertilizer, livestock and poultry feed, food products, food oils, flour, sweeteners, ethanol, lumber and wood products, pulp board and paper products, wood fibers, wood pulp, beverages, and canned goods.
- Chemicals includes sulfur and related chemicals, petroleum products (including crude oil), chlorine and bleaching compounds, plastics, rubber, industrial chemicals, chemical wastes, sand, and natural gas liquids.

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- Metals and construction includes steel, aluminum products, machinery, scrap metals, cement, aggregates, minerals, clay, transportation equipment, and items for the U.S. military.
- Automotive includes finished motor vehicles and automotive parts.

In 2022, 2023, we handled 2.2 million merchandise carloads, which accounted for 57% 61% of our total railway operating revenues.

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INTERMODAL – Our intermodal commodity group consists of shipments moving in domestic and international containers and trailers. These shipments are handled on behalf of intermodal marketing companies, international steamship lines, premium customers and asset-owning companies. In 2022, 2023, we handled 3.9 million 3.8 million intermodal units, which accounted for 29% 25% of our total railway operating revenues.

COAL – Coal revenues accounted for 14% of our total railway operating revenues in **2022** **2023**. We handled **77 million** **76 million** tons, or 0.7 million carloads, most of which originated on our lines from major eastern coal basins, with the balance from major western coal basins received via the Memphis and Chicago gateways. Our coal franchise supports the electric generation market, directly serving approximately 30 coal-fired power plants, as well as the export, domestic metallurgical and industrial markets, primarily through direct rail and river, lake, and coastal facilities, including various terminals on the Ohio River, at Lamberts Point in Norfolk, Virginia, at the Port of Baltimore, and on Lake Erie.

FREIGHT RATES – Our predominant pricing mechanisms, private contracts and exempt price quotes, are not subject to regulation. In general, market forces are the primary determinant of rail service prices.

RAILWAY PROPERTY

Our railroad infrastructure makes us capital intensive with net properties of approximately **\$32 billion** **\$33 billion** on a historical cost basis.

Property Additions – Property additions for the past five years were as follows:

	2022	2021	2020	2019	2018	2023	2022	2021	2020	2019
	(\$ in millions)					(\$ in millions)				
Road and other property	Road and other property									
Property	\$1,345	\$1,041	\$1,046	\$1,371	\$1,276					
Road and other property										
Road and other property										
Equipment	Equipment	603	429	448	648	675				
Total	Total	\$1,948	\$1,470	\$1,494	\$2,019	\$1,951				
Total										
Total										

Our capital spending and replacement programs are and have been designed to **assure the support** our ability to provide safe, efficient, and reliable rail transportation services.

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Equipment – Our equipment includes owned and leased locomotives and railcars; maintenance of way equipment and machinery; other equipment and tools used in our shops, offices and facilities; and vehicles and other equipment used for maintenance, transportation, and other activities. Our equipment includes both owned equipment acquired by us, and equipment held under lease arrangements. At **December 31, 2022** **December 31, 2023**, we owned or leased the following **units** of revenue generating equipment:

	Owned	Leased	Total	Capacity of Equipment		Owned	Leased	Total	Capacity of Equipment	
				Locomotives:	(Horsepower)				Locomotives:	(Horsepower)
Locomotives:	Locomotives:									
Multiple purpose	Multiple purpose	3,046	—	3,046	11,845,600					
Auxiliary units	Auxiliary units	140	—	140	—					
Switching	Switching	4	—	4	4,400					
Total locomotives	Total locomotives	3,190	—	3,190	11,850,000					
Total locomotives										

Total locomotives																		
Freight cars:																		
Freight cars:																		
Freight cars:	Freight cars:					(Tons)												
Gondola	Gondola	17,391	2,836	20,227	2,265,085													
Hopper	Hopper	7,818	—	7,818	892,800													
Covered hopper	Covered hopper	5,571	—	5,571	619,424													
Box	Box	2,530	703	3,233	295,536													
Flat	Flat	1,390	676	2,066	152,719													
Other	Other	1,555	—	1,555	69,649													
Total freight cars	Total freight cars	36,255	4,215	40,470	4,295,213													
Total freight cars																		
Total freight cars																		
Other:																		
Intermodal equipment:																		
Intermodal equipment:																		
Intermodal equipment:																		
Chassis	Chassis	35,393	1,100	36,493														
Containers	Containers	18,047	—	18,047														
Work equipment		5,408	243	5,651														
Vehicles		2,976	14	2,990														
Miscellaneous		2,243	—	2,243														
Containers																		
Containers																		
Roadtrailers																		
Roadtrailers																		
Roadtrailers																		
Total other		64,067	1,357	65,424														
Total intermodal equipment																		
Total intermodal equipment																		
Total intermodal equipment																		

The following table indicates the number and year built for locomotives and freight cars owned at December 31, 2022 December 31, 2023:

	2013	2008	2007 &											
	2022	2021	2020	2019	2018	2017	2012	Before	Total	2023	2022	2021	2020	2019
Locomotives:	Locomotives:									Locomotives:				
No. of units	No. of units	—	1	10	36	15	260	231	2,637	3,190	No. of units	—	—	1
% of fleet	% of fleet	— %	— %	— %	1 %	1 %	8 %	7 %	83 %	100 %	% of fleet	— %	— %	— %
Freight cars:	Freight cars:									Freight cars:				
Freight cars:										Freight cars:				

Freight cars:

No. of units	No. of units	236	—	—	200	—	4,202	8,843	22,774	36,255	No. of units	1,043	236	—	—	198	4,195
% of fleet	% of fleet	1 %	— %	— %	— %	— %	12 %	24 %	63 %	100 %	% of fleet	3 %	1 %	— %	— %	— %	— %

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The following table shows the average age of our owned locomotive and freight car fleets at December 31, 2022 December 31, 2023 and information regarding 2022 2023 retirements:

	Locomotives	Freight Cars
Average age – in service	27.6 years	25.9 years
Retirements	22 units	1,209 units
Average age – retired	25.2 years	45.5 years
	Locomotives	Freight Cars
Average age – in service	28.5 years	25.4 years
Retirements	2 units	1,744 units
Average age – retired	23.0 years	40.8 years

Track Maintenance – Of the 35,100 35,000 total miles of track on which we operate, we are responsible for maintaining 28,400 miles, with the remainder being operated under trackage rights from other parties responsible for maintenance.

Over 85% of the main line trackage (including first, second, third, and branch main tracks, all excluding rail operated pursuant to trackage rights) has rail ranging from 131 to 155 pounds per yard with the standard installation currently at 136 pounds per yard. Approximately 40% 39% of our lines, excluding rail operated pursuant to trackage rights, carried 20 million or more gross tons per track mile during 2022. 2023.

The following table summarizes several measurements regarding our track roadway additions and replacements during the past five years:

	2022	2021	2020	2019	2018	2023	2022	2021	2020	2019
Track miles of rail installed	Track miles of rail installed	541	458	418	449	416				
Miles of track surfaced	Miles of track surfaced	4,155	4,225	4,785	5,012	4,594				
Crossties installed (millions)	Crossties installed (millions)	2.2	2.0	1.8	2.4	2.2				

Traffic Control – Of the 16,200 route miles we dispatch, 11,300 miles are signalized, including incorporate signalization. This includes 8,500 miles governed by centralized traffic control (CTC) and 2,800 miles utilizing automatic block signals. Within the 8,500 miles of CTC, 7,600 miles are controlled by data radio systems originating from 355 base station radio sites.

ENVIRONMENTAL MATTERS – Compliance with federal, state, and local laws and regulations relating to the protection of the environment is one of our principal goals. To date, With the exception of our response to the Eastern Ohio Incident (the “Incident” as defined in Note 17) such compliance has not had a material effect on our financial position, results of operations, liquidity, or competitive position. See For further information on the Incident and environmental matters, see Note 17 in Item 8 “Notes to the Consolidated Financial Statements.”

HUMAN CAPITAL MANAGEMENT

Workforce – We employed an average of 18,900 20,300 employees during 2022, 2023, and 19,300 20,700 employees at the end of 2022, 2023. Approximately 80% of our railroad employees – referred to as “craft” employees – are covered by collective bargaining agreements with various labor unions, unions, and referred to as

"craft" employees. See the discussion of "Labor Agreements" in Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations." The remainder of our workforce is composed of management employees.

Craft Workforce Levels and Productivity – Maintaining appropriate headcount levels for our craft-employee workforce is critical to our on-time and consistent delivery of customers' goods and operational efficiency goals. We manage this human capital metric through forecasting tools designed to ensure the optimal level of staffing to meet business demands. We measure and monitor employee productivity based on various factors, including gross ton miles per train and engine employee.

Safety – We are dedicated to providing employees with a safe workplace and the knowledge and tools they need to work safely and return home safely every day. Our commitment to an injury-free workplace is outlined in our Foundation of Safety policy which focuses on rules compliance, responsibility, relationships, and responsiveness. Our safety programs, practices, and messaging further reinforces the importance of working safely. We measure

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Our safety programs, practices, and messaging further reinforce the importance of working safely. We measure employee safety performance through internal metrics such as accidents, injuries, and serious injuries per 200,000 employee-hours. We also use metrics established by the Federal Railroad Administration (FRA) to measure FRA reportable accidents per million train miles and injuries per 200,000 employee-hours. Given that safety continues to be a top priority, and the importance of safety among our workforce and to our business, in 2020, our Board of Directors established (Board) has a standing Safety Committee that, among other duties, reviews, monitors, and evaluates our compliance with our safety programs and practices.

Attracting and Retaining Management Employees – Our talent strategy for management employees is essential to attracting strong candidates in a competitive talent environment. We evaluate the effectiveness of that strategy by studying market trends, benchmarking the attractiveness of our employee value proposition, maintaining a competitive compensation package, and analyzing retention data.

We also focus on driving employee engagement, which is key to increasing employee productivity, retention, and safety. We take a data-centric approach, including the use of quarterly periodic surveys among management employees, to identify new initiatives that will help boost engagement and drive business results.

Employee Development and Training – We provide a range of developmental programs, opportunities, skills, and resources for our employees to be successful in their careers. We provide classroom instruction, hands-on training and simulation-based training designed to improve training on-the-job effectiveness and safety outcomes.

We also use modern learning and performance technologies to offer robust professional growth opportunities. Through on-demand digital course offerings, custom-built learning paths, and performance-management tools, in-person facilitated content, our platforms deliver programs provide a contemporary, convenient, holistic and inclusive approach to professional development throughout an employee's career.

Diversity, Equity, and Inclusion – As a leading transportation service company, we understand recognize that competing success in the global marketplace requires recruiting relies on the most qualified, talented, recruitment and diverse people. We strive retention of top-tier talent, as well as leveraging the expertise and experiences of individuals from all backgrounds.

In pursuit of this goal, we are dedicated to creating establishing a workplace that is diverse, equitable, and inclusive, workplace where a wide range broad spectrum of identities, perspectives, and experiences are not only represented but also valued and empowered to thrive.

While our current workforce reflects a broad range Our Inclusion Leadership Council, comprised of backgrounds and experiences, we continue to focus on building an even more diverse workforce, using technology-driven outreach and multiple recruiting relationships to maintain a robust pipeline of diverse talent.

To underscore our commitment to cultivating a workplace experience where the unique experiences, perspectives, and contributions of all our people are valued, our CEO recently signed the CEO Action for Diversity & Inclusion pledge, which outlines specific actions to create a welcoming environment for discussions and ideas about diversity and inclusion. To advance that commitment, senior leaders from across the company serve on an Inclusion Leadership Council, which partners with all departments, our seven employee resource groups, and the Diversity, Equity, and Inclusion Strategy team, in implementing our enterprise inclusion strategy, articulating collaborate closely to implement the plan, articulate measurable goals, and holding ourselves accountable.

GOVERNMENT REGULATION – In addition to environmental, safety, securities, and other regulations generally applicable to all business, our railroads are subject to regulation by the U.S. Surface Transportation Board (STB). The STB has jurisdiction to varying extents over rates, routes, customer access provisions, fuel surcharges, conditions of service, and the extension or abandonment of rail lines. The STB has jurisdiction to determine whether we are "revenue adequate" on an annual basis based on the results of the prior year. A railroad is "revenue adequate" on an annual basis under the applicable law when its return on net investment exceeds the rail industry's composite cost of capital. This determination is made pursuant to a statutory requirement. The STB also has jurisdiction over the consolidation, merger, or acquisition of control of and by rail common carriers.

The relaxation of economic regulation of railroads, following the Staggers Rail Act of 1980, included exemption from STB regulation of the rates and most service terms for intermodal business (trailer-on-flat-car, container-on-flat-car), rail boxcar shipments, lumber, manufactured steel, automobiles, and certain bulk commodities such as sand, gravel, pulpwood, and wood chips for paper manufacturing. Further, all shipments that we have under contract are effectively removed from commercial regulation for the duration of the contract. Approximately 90%

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of our revenues comes from either exempt shipments or shipments moving under transportation contracts; the remainder comes from shipments moving under public tariff rates.

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Efforts have been made over the past several years to increase federal economic regulation of the rail industry, and such efforts are expected to continue in 2023, 2024. The Staggers Rail Act of 1980 substantially balanced the interests of shippers and rail carriers, and encouraged and enabled rail carriers to innovate, invest in their infrastructure, and compete for business, thereby contributing to the economic health of the nation and to the revitalization of the industry. Accordingly, we will continue to oppose efforts to reimpose increased economic regulation.

Railroads are also subject to the enactment of laws by Congress and regulation by the U.S. Department of Transportation (DOT) (including the **Federal Railroad Administration** **FRA**) and the U.S. Department of Homeland Security (DHS) (including the Transportation Security Administration (TSA)), which regulate most aspects of our operations related to safety, security and cybersecurity.

Government regulations are further discussed within Item 1A "Risk Factors" and the safety and security of our railroads are discussed within the "Security of Operations" section contained herein.

COMPETITION – There is continuing strong competition among rail, water, and highway carriers. Price is usually only one factor of importance as shippers and receivers choose a transport mode and specific hauling company. Inventory carrying costs, service reliability, ease of handling, and the desire to avoid loss and damage during transit are also important considerations, especially for higher-valued finished goods, machinery, and consumer products. Even for raw materials, semi-finished goods, and work-in-progress, users are increasingly sensitive to transport arrangements that minimize problems at successive production stages.

Our primary rail competitor is CSX Corporation (CSX); both we and CSX operate throughout much of the same territory. Other railroads also operate in parts of the territory. We also compete with motor carriers, water carriers, and with shippers who have the additional options of handling their own goods in private carriage, sourcing products from different geographic areas, and using substitute products.

Certain marketing strategies to expand reach and shipping options among railroads and between railroads and motor carriers enable railroads to compete more effectively in specific markets.

SECURITY OF OPERATIONS – We continue to enhance the security of our rail system. Our comprehensive security plan is modeled on and was developed in conjunction with the security plan prepared by the Association of American Railroads (AAR) post September 11, 2001. The AAR Security Plan defines four Alert Levels and details the actions and countermeasures that are being applied across the railroad industry **to mitigate** **as** the risk of terrorist, **violent** extremist or seriously disruptive cyber-attack increases or decreases. The Alert Level actions include countermeasures that will be applied in three general areas: (1) operations (including transportation, engineering, and mechanical); (2) information technology and communications; and, (3) railroad police. All of our Operations Division employees are advised by their supervisors or train dispatchers, as appropriate, of any change in Alert Level and any additional responsibilities they may incur due to such change.

Our security plan also complies with DOT security regulations pertaining to training and security plans with respect to the transportation of hazardous materials. As part of the plan, security awareness training is given to all railroad employees who directly affect hazardous material transportation safety, and is integrated into hazardous material training programs. Additionally, location-specific security plans are in place for rail corridors in certain metropolitan areas referred to as High Threat Urban Areas (HTUA). Particular attention is aimed at reducing risk in a HTUA by: (1) the establishment of secure storage areas for rail cars carrying toxic-by-inhalation (TIH) materials; (2) the expedited movement of trains transporting rail cars carrying TIH materials; (3) reducing the number of unattended loaded tank cars carrying TIH materials; and (4) cooperation with federal, state, local, and tribal governments to identify those locations where security risks are the highest.

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We also operate four facilities that are under U.S. Coast Guard (USCG) Maritime Security Regulations. With respect to these facilities, each facility's security plan has been approved by the applicable Captain of the Port and remains subject to inspection by the USCG.

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Additionally, we continue to engage in close and regular coordination with numerous federal and state agencies, including the DHS, the TSA, the Federal Bureau of Investigation, the FRA, the USCG, U.S. Customs and Border Protection, the Department of Defense, and various state Homeland Security offices.

In 2022, 2023, through the Norfolk Southern Operation Awareness and Response Program as well as participation in the Transportation Community Awareness and Emergency Response Program, we provided rail accident response training to approximately more than 5,000 emergency responders, such as local police and fire personnel, utilizing a combination of online training and face-to-face training sessions as well as the Norfolk Southern Safety Train. We also have ongoing programs to sponsor local emergency responders at the Security and Emergency Response Training Center.

We also continually evaluate ourselves for appropriate business continuity and disaster recovery planning, with test scenarios that include cybersecurity attacks. Our risk-based information security program helps ensure our defenses and resources are aligned to address the most likely and most damaging potential attacks, to provide support for our organizational mission and operational objectives, and to keep us in the best position to detect, mitigate, and recover from a wide variety of potential attacks in a timely fashion.

Item 1A. Risk Factors

The risks set forth in the following risk factors could have a material adverse effect on our financial position, results of operations, or liquidity in a particular year or quarter, and could cause those results to differ materially from those expressed or implied in our forward-looking statements. The information set forth in this Item 1A "Risk Factors" should be read in conjunction with the rest of the information included in this annual report, including

Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Item 8 "Financial Statements and Supplementary Data." We have experienced a number of the risks described below over the past year in connection with the Incident and the Incident Proceedings (defined below). The risks described below should be read in conjunction with the information regarding the Incident and Incident Proceedings provided in Note 17 in Item 8 "Notes to Consolidated Financial Statements."

INCIDENT RISKS

As defined and as further described in Note 17 in Item 8 "Notes to Consolidated Financial Statements", there was an Incident that occurred in the first quarter that consisted of a February 3, 2023 train derailment in East Palestine, Ohio that included 11 non-Company-owned tank cars containing hazardous materials, fires associated with the derailment that threatened certain of the tank cars, and a controlled vent and burn procedure conducted on February 6, 2023 on five of the derailed tank cars, all of which contained vinyl chloride. As a result of the Incident, we have become subject to numerous legal, regulatory, legislative and other proceedings related thereto, including but not limited to, the National Transportation Safety Board (NTSB) Investigation, the FRA Incident Investigation, the FRA Safety Assessment, the U.S. Department of Justice (DOJ) Complaint, the Ohio Complaint, the Incident Lawsuits, the Shareholder Matters, and the Incident Inquiries and Investigations, (each as defined in Note 17 in Item 8 "Notes to Consolidated Financial Statements"), in addition to other proceedings, actions, or potential changes in response to the Incident, including but not limited to those related to, among other items, train size, train length, train composition, or crew size (collectively, the "Incident Proceedings"). Set forth below are additional risks pertaining to an investment in the Company that are related to the Incident and the Incident Proceedings.

The costs, liabilities, fines, penalties, and/or financial impact resulting from or related to the Incident or the Incident Proceedings have been significant to date, may exceed expected or accrued amounts, and have and can be expected to continue to negatively affect our financial results. We have incurred and will continue to remain subject to incurring significant costs, liabilities, fines, and penalties related to the Incident and the Incident Proceedings, including amounts that may have a material adverse effect on our financial position, results of operations, or liquidity.

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In addition, while we have accrued estimates of probable and reasonably estimable liabilities with respect to the Incident and the Incident Proceedings (several of which are in early stages), we cannot predict the final outcome or estimate the reasonably possible range of loss with certainty and such estimates may change over time due to a variety of factors, including but not limited to those set forth in Note 17 in Item 8 "Notes to Consolidated Financial Statements" or other unfavorable or unexpected developments or outcomes which could result in our current estimates being insufficient. These estimated amounts also do not include any estimate of loss for specific items for which we believe a loss is either not probable or not reasonably estimable for the reasons set forth in Note 17 in Item 8 "Notes to Consolidated Financial Statements." As a result, our currently accrued amounts of estimated liabilities may be insufficient, and any additional, new or updated accruals could have a material adverse effect on our results of operations or financial position.

New or additional governmental regulation and/or operational changes resulting from or related to the Incident or the Incident Proceedings may negatively impact us, our customers, the rail industry, or the markets we serve. The legislative, regulatory, operational or other actions taken, protocols adopted (including by us), or changes resulting from the Incident or any of the Incident Proceedings may, either individually or in the aggregate, have a material adverse effect on us, our customers, the rail industry, or the markets we serve. We also face risks from requirements that may be imposed by the government in resolution of government actions, including, for example, restrictions on our methods of operations. Our inability to comply with the requirements of any new or additional laws, regulations or operating protocols resulting from or related to the Incident or the Incident Proceedings may have a material adverse effect on our financial position, results of operations, liquidity, or operations.

REGULATORY AND LEGISLATIVE RISKS

Governmental legislation, regulation, and Executive Orders over commercial, operational, tax, safety, security, or cybersecurity matters could negatively affect us, our customers, the rail industry or the markets we serve. Congress can enact laws, agencies can promulgate regulations, and Executive Orders can be issued that increase or alter regulation in a way that negatively affects us, our customers, the rail industry or the markets we serve. Railroads presently are subject to commercial and operational regulation by the STB, which has jurisdiction to varying extents over rates, routes, customer access provisions, fuel surcharges, conditions of service, and the extension or abandonment of rail lines.

The STB also has jurisdiction over the consolidation, merger, or acquisition of control of and by rail common carriers. Additional or updated regulation of the rail industry by Congress or the STB, whether under new, existing or amended laws or regulations, could have a significant negative impact on our ability to negotiate prices for rail services, on our railway operating revenues, and on the efficiency, conduct, or complexity of our operations. Such additional or updated industry regulation, as well as enactment of any new or updated tax laws, could also negatively impact cash flows from our operating activities and, therefore, result in reduced capital spending on our rail network or abandonment of lines.

Railroads are also subject to the enactment of laws by Congress and regulation by the DOT (including the FRA) and the DHS (including the TSA), which regulate many aspects of our operations related to safety, security and cybersecurity. Additional or updated safety, security, or cybersecurity regulation by Congress, the DOT or DHS could have a negative impact on our business and the efficiency, conduct, or complexity of our operations including (but not limited to) increased operating costs, capital expenditures, claims and litigation.

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Our inability to comply with the requirements of existing or updated laws, regulations, or Executive Orders that govern our operations or the rail industry, including but not limited to those pertaining to commercial, operational, tax, safety, security, or cybersecurity matters, could have a material adverse effect on our financial position, results of operations or liquidity.

We are addressing multiple governmental actions as a result of the Incident, as noted in "Incident Risks" above.

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Federal and state environmental laws and regulations could negatively impact us and our operations. Our operations are subject to extensive federal and state environmental laws and regulations concerning, among other things: emissions to the air; discharges to waterways or groundwater supplies; handling, storage, transportation, and disposal of waste and other materials; and, the cleanup of hazardous material or petroleum releases. The risk of incurring environmental liability, for acts and omissions, past, present, and future, is inherent in the railroad business. This risk includes property owned by us, whether currently or in the past, that is or has been subject to a variety of uses, including our railroad operations and other industrial activity by past owners or our past and present tenants.

Environmental problems that are latent or undisclosed may exist on these properties, and we could incur environmental liabilities or costs, the amount and materiality of which cannot be estimated reliably at this time, with respect to one or more of these properties. Moreover, lawsuits and claims involving other unidentified environmental sites and matters are likely to arise from time to time.

Our inability to comply with the extensive federal and state environmental laws and regulations to which we are subject could result in significant liabilities or otherwise adversely impact our operations.

OPERATIONAL RISKS As noted in "Incident Risks" above, in connection with the Incident, we are experiencing negative impacts related to environmental matters, including extensive cleanup costs and litigation related to alleged environmental impacts of the Incident.

Pandemics, epidemics or endemic diseases could further negatively impact us, our customers, our supply chain and our operations. The magnitude and duration of a pandemic, epidemic or endemic disease, and its impact on our customers and general economic conditions can influence the demand for our services and affect our revenues. In addition, such outbreaks could affect our operations and business continuity if a significant number of our essential employees, overall or in a key location, are quarantined from contraction of or exposure to the disease or if governmental orders prevent our employees or critical suppliers from working. To the extent such diseases adversely affect our business and financial results, they may also have the effect of heightening many of the other risks described in the risk factors included herein, or may affect our operating and financial results in a manner that is not presently known to us. **OPERATIONAL RISKS**

A significant cybersecurity incident or other disruption to our technology infrastructure could disrupt our business operations. We To conduct business, we extensively rely on information and operational technology systems, and improvements in that technology, those technologies, in all aspects of our business. If we experience The threat landscape is vast and includes hobbyists, cybercriminals, nation-states and state-sponsored activities. Attacks from these entities include, but is not limited to, denial of service, unauthorized access, theft of money, and data and extortion. System upgrades, redundancy and other continuity measures may be ineffective or inadequate, and our business continuity and disaster recovery planning may not be sufficient for all eventualities. Regardless of the cause, significant disruption or failure of one or more of information or operational technology systems operated by us or under control of third parties, including computer hardware, software, cloud services and communications equipment, we could experience can result in us experiencing a service interruption, data breach, or other operational difficulties. Such failures or disruptions can adversely impact our business by, among other things, preventing intercompany communications and disrupting operations that may result in direct or indirect monetary losses, damage to equipment or property, or loss of confidence in corporate competency. These events could have a materially adverse effect on our business, reputation, results of operations and financial condition. Although we maintain comprehensive security programs designed to protect our information technology systems, including our risk-based approach to cybersecurity, our reliance on the Framework for Improving Critical Infrastructure Cybersecurity drafted by the U.S Department of Commerce's National Institute of Standards and Technology (NIST CSF) and our layered defense system, we are continually targeted by threat actors attempting to access our networks, networks and we may be unable to detect or prevent a breach of our systems or disruption to our service in the future. While we have previously experienced technology outages and cybersecurity events that have had minimal impact, impacted our systems and service, future events may result in more significant impacts to our operations, reputation or results of operations, financial results. These potentially impactful future events could include service disruptions, unauthorized access to our systems, viruses, ransomware, and/or compromise, acquisition, or destruction of our data. We also could be impacted by cybersecurity events targeting third parties that we rely on for business operations, including third party vendors that have access to our systems or data and third parties who provide services and are in our supply chain. Such a direct or indirect cybersecurity incident could interrupt our service, cause safety failures or operational difficulties, decrease revenues, increase operating costs, impact our efficiency, damage our corporate reputation, and/or expose us to litigation or government action or increased regulation, which could result in penalties, fines or judgments. In addition, our failure to comply with or adhere to privacy-related or data protection laws and regulations could result in government investigations and proceedings against us, or litigation, resulting in adverse reputational impacts, penalties, and legal liability.

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Our business may be seriously harmed if we fail to develop, implement, maintain, upgrade, enhance, protect and integrate our information technology systems. If we fail to develop, acquire or implement new technology, or otherwise fail to maintain, protect or integrate our information technology systems, we may suffer a competitive disadvantage within the rail industry and with companies providing alternative modes of transportation service.

As a common carrier by rail, we must offer to transport hazardous materials, regardless of risk, which exposes us to significant costs and claims. Transportation of certain hazardous materials could create catastrophic or third party-owned equipment (typically used to transport such materials) creates risks of significant losses in terms of personal injury and property (including environmental) damage and compromise critical parts of our rail network. The costs of a catastrophic rail accident involving hazardous materials or third party-owned equipment could exceed our insurance coverage. We have obtained insurance for potential losses for third-party liability and first-party property damages (see Note 17 in Item 8 "Notes to the Consolidated Financial Statements" Statements); however, insurance is available from a limited number of insurers and may not continue to be available or, if available, may not be obtainable on terms acceptable to us. Any future legislation preventing the transportation of hazardous materials through specific cities could have negative impacts including increased network congestion and operating costs, reduced operating efficiency, and increased risk of an accident involving hazardous materials.

With regard to the risks arising from the transportation of hazardous materials, the Incident and the Incident Proceedings have given rise to significant costs to us and impacts on our rail network, as noted in "Incident Risks" above. With respect to third party-owned equipment, the primary risk arises from the potential for a

latent defect we are unable to identify despite robust safety inspection protocols.

We face competition from other transportation providers. We are subject to competition from motor carriers, railroads and, to a lesser extent, ships, barges, and pipelines, on the basis of transit time, pricing, and quality and reliability of service. While we have primarily used internal resources to build or acquire and maintain our rail system, trucks and barges have been able to use public rights-of-way maintained by public entities. Any future improvements, expenditures, legislation, or regulation changing or materially increasing the efficiency or reducing the cost of one or more alternative modes of transportation in the regions in which we operate (such as granting materially greater latitude for motor carriers with respect to size or weight limitations or adoption and utilization of autonomous commercial vehicles) could have a material adverse effect on our ability to compete with other modes of transportation.

Capacity constraints could negatively impact our service and operating efficiency. We have experienced and may again experience capacity constraints on our rail network related to employee or equipment shortages, increased demand for rail services, severe weather, congestion on other railroads, including passenger activities, or impacts from changes to our network structure or composition. Such constraints could result in operational inefficiencies or adversely affect our operations.

Significant increases in demand for rail services could result in the unavailability of qualified personnel and resources like locomotives. Changes in workforce demographics, training requirements, and availability of qualified personnel, particularly for engineers and conductors, have negatively impacted and may again negatively impact our ability to meet short-term demand for rail service. Unpredicted increases in demand for rail services may exacerbate such risks and could negatively impact our operational efficiency.

Constraints on the supply chain or the operations of carriers with which we interchange may adversely affect our operations. Our ability to provide rail service to our customers depends in large part upon a functioning global supply chain and our ability to maintain collaborative relationships with connecting carriers (including shortlines and regional railroads) with respect to, among other matters, freight rates, revenue division, car supply and locomotive availability, data exchange and communications, reciprocal switching, interchange, and trackage rights. Deterioration in the supply chain or **operations of or** service provided by connecting carriers, or in our relationship with those connecting carriers, could result in our inability to meet our customers' demands or require us to use alternate train

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routes, which could result in significant additional costs and network inefficiencies. Additionally, any significant consolidations, mergers or operational changes among other railroads may **significantly redefine** alter our market access and reach.

We may be negatively affected by terrorism or war. Any terrorist attack, or other similar event, any government response thereto, and war or risk of war could cause significant business interruption. Because we play a critical role in the nation's transportation system, we could become the target of such an attack or have a significant role in the government's preemptive approach or response to an attack or war.

Although we currently maintain insurance coverage for third-party liability arising out of war and acts of terrorism, we maintain only limited insurance coverage for first-party property damage and damage to property in our care,

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custody, or control caused by certain acts of terrorism. In addition, premiums for some or all of our current insurance programs covering these losses could increase dramatically, or insurance coverage for certain losses could be unavailable to us in the future.

We may be negatively affected by supply constraints resulting from disruptions in the fuel markets or the nature of some of our supplier markets. We consumed approximately **376 million** **377 million** gallons of diesel fuel in **2022** **2023**. Fuel availability could be affected by limitation in the fuel supply or by imposition of mandatory allocation or rationing regulations. A severe fuel supply shortage arising from production curtailments, increased demand in existing or emerging foreign markets, disruption of oil imports, disruption of domestic refinery production, damage to refinery or pipeline infrastructure, political unrest, war or other factors could impact us as well as our customers and other transportation companies.

Due to the capital-intensive nature, as well as the industry-specific requirements of the rail industry, high barriers of entry exist for potential new suppliers of core railroad items, such as locomotives and rolling stock equipment. Additionally, we compete with other industries for available capacity and raw materials used in the production of locomotives and certain track and rolling stock materials. Changes in the competitive landscapes of these limited supplier markets could result in increased prices or significant shortages of materials.

Pandemics, epidemics or endemic diseases could further negatively impact us, our customers, our supply chain and our operations. The magnitude and duration of a pandemic, epidemic or endemic disease, and its impact on our customers and general economic conditions can influence the demand for our services and affect our revenues. In addition, such outbreaks could affect our operations and business continuity if a significant number of our essential employees, overall or in a key location, are unable to work from contraction of or exposure to the disease or if governmental orders prevent our employees or critical suppliers from working. To the extent such diseases adversely affect our business and financial results, they may also have the effect of heightening many of the other risks described in the risk factors included herein, or may affect our operating and financial results in a manner that is not presently known to us.

LITIGATION RISKS

We may be subject to various claims and lawsuits that could result in significant expenditures. The nature of our business exposes us to the potential for various claims and litigation related to labor and employment, personal injury, commercial disputes, freight loss and other property damage, and other matters. Job-related personal injury and occupational claims are subject to the Federal Employer's Liability Act (FELA), which is applicable only to railroads. FELA's fault-based tort system produces results that are unpredictable and inconsistent as compared with a no-fault worker's compensation system. The variability inherent in this system could result in actual costs being different from the liability recorded.

A catastrophic rail accident, whether on our lines or another carrier's, involving any or all of release of hazardous materials, freight loss, property damage, personal injury, and environmental liability could compromise critical parts of our rail network. Losses associated with such an accident involving us could exceed our insurance coverage, resulting in a material adverse effect on our liquidity. Any material changes to current litigation trends could also have a material adverse effect on our liquidity to the extent not covered by insurance.

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We have obtained insurance for potential losses for third-party liability and first-party property damages; however, insurance is available from a limited number of insurers and may not continue to be available or, if available, may not be obtainable on terms acceptable to us.

We are incurring significant expenditures as a result of claims and lawsuits arising from the Incident and the related Incident Proceedings, as described in "Incident Risks" above.

HUMAN CAPITAL RISKS

Failure to attract and retain key executive officers, or skilled professional or technical employees could adversely impact our business and operations. Our success depends on our ability to attract and retain skilled employees, including a sufficient number of craft employees to enable us to efficiently conduct our operations. Difficulties in recruiting and retaining skilled employees, including train and engine workers, key executives, and other skilled professional and technical employees; the unexpected loss of such individuals; and/or our inability to successfully transition key roles could each have a material adverse effect on our business and operations.

The vast majority of our employees belong to labor unions, and the renegotiation of labor agreements or any provisions thereof, or any strikes or work stoppages (including any entered into in connection with any such negotiations), could adversely affect our operations. Approximately 80% of our railroad employees are covered by collective bargaining agreements with various labor unions. **Although we recently We** entered into updated labor agreements with these labor unions **in December 2022 and** future national labor agreements, or renegotiation of labor agreements or provisions of labor agreements, could significantly increase our costs for health care, wages, and other benefits. Additionally, if our craft employees were to engage in a strike, work stoppage, or other slowdown, including in connection with the renegotiation of any such agreements or any provisions thereof, we could experience a significant disruption in our operations, thereby adversely impacting our results of operations.

Failure to attract and retain key executive officers, or skilled professional or technical employees could adversely impact our business and operations. Our success depends on our ability to attract and retain skilled employees, including a sufficient number of craft employees to enable us to efficiently conduct our operations.

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Difficulties in recruiting and retaining skilled employees, including train and engine workers, key executives, and other skilled professional and technical employees; the unexpected loss of such individuals; and/or our inability to successfully transition key roles could each have a material adverse effect on our business and operations.

CLIMATE CHANGE RISKS

Severe weather and disasters have caused, and could again cause, significant business interruptions and expenditures. Severe weather conditions and other natural phenomena resulting from changing weather patterns and rising sea levels or other causes, including hurricanes, floods, fires, landslides, extreme temperatures, significant precipitation, and earthquakes, have caused, and may again cause damage to our network, our workforce to be unavailable and us to be unable to use our equipment. Additionally, shifts in weather patterns caused by climate change are expected to increase the frequency, severity or duration of certain adverse weather conditions, which could cause more significant business interruptions that result in increased costs, increased liabilities, and decreased revenues.

Concern over climate change has led to significant federal, state, and international legislative and regulatory efforts to limit greenhouse gas (GHG) emissions. Restrictions, caps, taxes, or other legislative or regulatory controls on GHG emissions, including diesel exhaust, could significantly increase our operating costs and decrease the amount of traffic we handle.

In addition, legislation and regulation related to climate change or GHG emissions could negatively affect the markets we serve and our customers. Even without legislation or regulation, government incentives and adverse publicity relating to climate change or GHG emissions could negatively affect the markets for certain of the commodities we carry, or our customers that use commodities we carry to produce energy (including coal), use significant amounts of energy in producing or delivering the commodities we carry, or manufacture or produce goods that consume significant amounts of energy associated with GHG emissions.

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MACROECONOMIC AND MARKET RISKS

We may be negatively impacted by changes in general economic conditions. Negative changes in domestic and global economic conditions, including reduced import and export volumes, could affect the producers and consumers of the freight we carry. Economic conditions could also result in bankruptcies of one or more large customers.

We may be negatively affected by energy prices. Volatility in energy prices could have a significant effect on a variety of items including, but not limited to: the economy; demand for transportation services; business related to the energy sector, including crude oil, natural gas, and coal; fuel prices; and, fuel surcharges.

The state of capital markets could adversely affect our liquidity. We rely on the capital markets to provide some of our capital requirements, including the issuance of debt instruments and the sale of certain receivables. Significant instability or disruptions of the capital markets, including the credit markets, or deterioration of our financial position due to internal or external factors could restrict or eliminate our access to, and/or significantly increase the cost of, various financing sources, including bank credit facilities and issuance of corporate bonds. Instability or disruptions of the capital markets and deterioration of our financial position, alone or in combination, could also result in a reduction of our credit rating to below investment grade, which could prohibit or restrict us from accessing external sources of short- and long-term debt financing and/or significantly increase the associated costs.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

CYBERSECURITY RISK MANAGEMENT AND STRATEGY

Process

We use a multi-layered defensive cybersecurity strategy based on the cyber security framework drafted by the NIST. The NIST CSF is a voluntary framework of best practices to identify, protect, detect, respond to, and recover from cybersecurity matters. Based on the NIST CSF, our processes to identify, assess, and manage material risks from cybersecurity threats includes the following:

Identify

We identify risks from cybersecurity threats by first developing and maintaining an understanding of those assets essential to our operation and reputation, as well as assets that could provide value to threat actors. Any cyber act is considered a potential risk if a threat actor can use it to reduce the value of an asset, reduce our ability to utilize or otherwise access the value of an asset, or surreptitiously gain or increase their access to an asset or its value.

Assess

We assess risks from cybersecurity threats by evaluating exposure of our assets to identified cyber risks, as well as potential impacts to our operations or reputation from our inability to access or utilize an asset or realize its value, or a threat actor's ability to gain access to an asset or its value. We further evaluate the potential materiality of these risks based on the potential impact to our operations or reputation.

Manage

We mitigate risks from cybersecurity threats by applying multiple layers of defense to ensure we have the continued ability to access or utilize an asset or its value, and deny threat actors the ability to gain or increase their access to an asset or its value. We prioritize defensive mechanisms, including administrative,

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procedural, and technical controls, according to their relative cost and reduction in risk based on the NIST CSF.

We further monitor, test, assess, and update these processes, including working with government agencies and peers to implement practices to guard against an evolving threat environment and to ensure we remain compliant with relevant regulatory requirements.

Integration into our Risk Management Framework

Our processes to assess, identify, and manage cybersecurity risks are expressly incorporated into our enterprise risk management (ERM) framework, which includes technology as one of the five primary risk categories addressed by the ERM framework, with cybersecurity risks being one of the three subcategories within the technology risk category. As a result, our ERM leadership team works with the Chief Information Officer (CIO) and Chief Information Security Officer (CISO) to define the top areas of risk in both the technology and cybersecurity areas, with such risks incorporated into our ERM framework and mapped to the NIST CSF. Our internal ERM leadership also meets on a quarterly basis with our technology risk working group, comprised of leaders across the information technology, information security and law departments, to monitor developments in the threat landscape so that key cybersecurity threats impacting the Company continue to be identified and prioritized.

Third-Party Engagement

We employ multiple service providers from time to time to perform periodic reviews and evaluations of our cybersecurity framework, the results of which are provided to and reviewed with management, with appropriate reporting to the Finance and Risk Management Committee (F&RM Committee) of the Board. These reviews encompass a broad range of areas, including information technology system resilience, cybersecurity risk assessments, information security program assessments, external threat environment reviews, internal cybersecurity policy compliance, and near-term incident response to identify or disconfirm potential involvement of a threat actor.

Oversight of Third-Party Providers

Within our purchasing and third-party vendor management programs, we require all vendors who handle our data as well as vendors who provide technology and data services – including hardware, software, staffing, and support – to maintain certain security protections including, but not limited to, compliance with applicable data protection laws, and implementation of administrative, physical and technical safeguards to protect our data, including how our data is stored, accessed and transmitted. In addition, all providers within these service categories must sign our data security attachment that articulates the specific security standards, cybersecurity insurance, and mandatory incident reporting protocols applicable to the underlying provision of services.

Risks

Please see Item 1A. Risk Factors – Operational Risks – “A significant cybersecurity incident or other disruption to our technology infrastructure could disrupt our business operations” for our disclosures regarding the most pertinent risks we may experience from cybersecurity threats.

As noted therein, regardless of the cause, a significant disruption or failure of one or more information or operational technology systems operated by us or under control of third parties can result in service disruptions, unauthorized access to our systems, viruses, ransomware, and/or compromise, acquisition, or destruction of our data.

Such a direct or indirect cybersecurity incident could interrupt our service, cause safety failures or operational difficulties, decrease revenues, increase operating costs, impact our efficiency, damage our corporate reputation, and/or expose us to litigation, government action, increased regulation, penalties, fines or judgments, any or all

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which may ultimately have a materially adverse effect on our results of operations, financial condition, reputation, and business (including our strategy of operating a resilient freight railroad).

While we have previously experienced technology outages and cybersecurity events that have impacted our systems and service, future events may result in more significant impacts to our operations, reputation or financial results. As a result of these prior events, and given the potential risks that a technology outage or cybersecurity event would result in a materially adverse effect on our results of operations, financial condition, reputation, or business, we have conducted and will continue conducting, internal and third-party assessments of information technology and cybersecurity vulnerabilities, information technology resiliency, and our related processes and procedures, so that we can continue to identify and address key cybersecurity risks.

CYBERSECURITY GOVERNANCE

Board Oversight

The Norfolk Southern Board, through the F&RM Committee, has direct oversight of cybersecurity risks. The F&RM Committee receives periodic reports from the CIO and CISO regarding the primary technology risks impacting the company, including risks impacting our information and operational systems, service resiliency, cybersecurity risks, and the related threat environment. Agendas for these periodic updates may be further adjusted to address any emerging risks or key topics in greater detail, including emerging regulations, best practices, cyber readiness, and third-party assessment results. Regular updates are also provided to the F&RM Committee regarding all material or potentially material cybersecurity incidents, including root causes, and identification of and progress towards, remediation activities through completion.

The Board receives a periodic update from the Chair of the F&RM Committee regarding the matters addressed by the F&RM Committee, as well as an annual report from the CISO highlighting the emerging threat landscape, our progress executing on our defensive cybersecurity strategy, and a review of our cybersecurity incident investigation and response processes.

Management's Role

The CISO, reporting to the CIO, is directly responsible for the assessment, oversight, and management of our enterprise-wide cybersecurity strategy and governance. Our CISO has significant relevant experience in the area, including graduate and postgraduate engineering technology degrees, along with 20 years of information security experience in critical infrastructure, as well as seven years with Norfolk Southern where he guided the Company through the implementation of our multi-layered defensive cybersecurity strategy that aligns with the NIST CSF. As noted above, our technology risk working group, comprised of leaders across the information technology, information security and law departments, including our CIO, CISO and Data Privacy Officer (DPO), among others, further monitor developments in the threat landscape so that key cybersecurity threats impacting the Company continue to be identified and prioritized.

Management and Board Reporting

Cybersecurity incidents are reported directly to the CISO in accordance with the applicable incident response plan. The CISO, together with the DPO, determine incident severity and response, and in turn report material or potentially material incidents to our internal 8-K subcommittee (comprised of senior leaders from the law, accounting, finance, investor relations, and communications departments), our CEO, and our Executive Vice President Corporate Affairs and Chief Legal Officer, who in turn notify the Chairs of the Board and the F&RM Committee. The Board is promptly notified prior to filing any 8-K disclosing any material or potentially material cybersecurity incidents, with the F&RM Committee provided further updates regarding root causes and remediation efforts.

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We also have a cybersecurity incident response plan including specific responsive protocols administered by a predesignated incident response team, led by our CISO and DPO and comprised of other members of management. This incident response team also conducts periodic table-top exercises with management to ensure adherence to our cybersecurity incident response plan.

In an effort to deter and detect cyber threats, we also periodically provide all employees with a data protection and cybersecurity awareness training program, which covers timely and relevant topics, including phishing, password protection, confidential data protection, asset use and mobile security, and further educates employees on the importance of and process for reporting all potential incidents immediately. We also use technology-based tools to mitigate cybersecurity risks and to bolster employee-based cybersecurity programs.

Item 3. Legal Proceedings

For information on our legal proceedings, see Note 17 "Commitments and Contingencies" in the Item 8 "Notes to Consolidated Financial Statements."

Item 4. Mine Safety Disclosures

Not applicable.

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Information About Our Executive Officers

Our executive officers generally are elected and designated annually by the Board of Directors (Board) at its first meeting held after the annual meeting of stockholders, and they hold office until their successors are elected. Executive officers also may be elected and designated throughout the year as the Board considers appropriate. There are no family relationships among our officers, nor any arrangement or understanding between any officer and any other person pursuant to which the officer was selected. The following table sets forth certain information, at February 1, 2023 February 1, 2024, relating to our officers.

Name, Age, Present Position	Business Experience During Past Five Years
Alan H. Shaw, 55, 56, President and Chief Executive Officer	Present position since May 1, 2022. Served as President from December 1, 2021 to May 1, 2022. Served as Executive Vice President and Chief Marketing Officer from May 16, 2015 to December 1, 2021.
Ann A. Adams, 52, 53, Executive Vice President and Chief Transformation Officer	Present position since April 1, 2019. Served as Vice President Human Resources from April 1, 2016 to April 1, 2019.
Paul B. Duncan, 43, 44, Executive Vice President and Chief Operating Officer	Present position since January 1, 2023. Served as Senior Vice President Transportation & and Network Operations from September 1, 2022 to January 1, 2023. Served as Vice President Network Planning & and Operations from March 1, 2022 to September 1, 2022. Prior to joining Norfolk Southern, served as Vice President of Service Design and Performance for BNSF Railway from October 1, 2018 to March 1, 2022 and as Assistant Vice President for Capacity Planning from June 1, 2015 to October 1, 2018.
Claude E. Elkins, Jr., 57, 58, Executive Vice President and Chief Marketing Officer	Present position since December 1, 2021. Served as Vice President Industrial Products from April 1, 2018 to December 1, 2021. Served as Group Vice President Chemicals from March 1, 2016 to April 1, 2018.
Mark R. George, 55, 56, Executive Vice President and Chief Financial Officer	Present position since November 1, 2019. Prior to joining Norfolk Southern, served as Vice President, Finance and Chief Financial Officer at segments of United Technologies Corporation. The positions were Vice President Finance, Strategy, IT and Chief Financial Officer at Otis Elevator Company from October 2015 to May 2019, and Vice President Finance and Chief Financial Officer at Carrier Corporation from June 2019 until joining Norfolk Southern.
Nabanita C. Nag, 47, 48, Executive Vice President and Chief Legal Officer	Present position since July 1, 2022. Served as Senior Vice President & and Chief Legal Officer from March 1, 2022 to July 1, 2022. Served as General Counsel - Corporate from August 31, 2020 to March 1, 2022. Prior to joining Norfolk Southern, served as Vice President & and Corporate Counsel in the Financial Management Law Group at Prudential Financial from March 3, 2014 to August 1, 2020.
Claiborne L. Moore, 43, 44, Vice President and Controller	Present position since March 1, 2022. Served as Assistant Vice President Corporate Accounting from March 15, 2019 to March 1, 2022. Served as Director Investor Relations from July 1, 2017 to March 15, 2019.

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PART II

NORFOLK SOUTHERN CORPORATION AND SUBSIDIARIES

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities
STOCK INFORMATION

Common Stock is owned by **19,796** **18,962** stockholders of record as of **December 31, 2022** **December 31, 2023**, and is traded on the New York Stock Exchange under the symbol "NSC."

ISSUER PURCHASES OF EQUITY SECURITIES

Period	Total Number of Shares (or Units) Purchased ⁽¹⁾	Average Price Paid per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs ⁽²⁾	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that may yet be Purchased under the Plans or Programs ⁽²⁾
October 1-31, 2022	1,027,142	\$ 217.12	1,027,142	\$ 8,092,825,748
November 1-30, 2022	1,023,706	243.00	1,023,706	7,844,066,906
December 1-31, 2022	1,422,612	249.05	1,422,438	7,489,805,905
Total	3,473,460		3,473,286	

Period	Total Number of Shares (or Units) Purchased ⁽¹⁾	Average Price Paid per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of the Publicly Announced Plans or Programs ⁽²⁾	Approximate Dollar Value of Shares that may yet be Purchased under the Publicly Announced Plans or Programs ⁽²⁾
October 1-31, 2023	270,465	\$ 197.70	269,938	\$ 6,933,309,430
November 1-30, 2023	159,957	202.48	156,646	6,901,566,364
December 1-31, 2023	145,664	229.80	145,398	6,868,152,575
Total	576,086		571,982	

⁽¹⁾ Of this amount, **174,410** represent shares tendered by employees in connection with the exercise of stock options under the stockholder-approved Long-Term Incentive Plan (LTIP).

⁽²⁾ On March 29, 2022, our Board of Directors authorized a new program for the repurchase of up to \$10.0 billion of Common Stock beginning April 1, 2022. As of **December 31, 2022** **December 31, 2023**, **\$7.5 billion** **\$6.9 billion** remains authorized for repurchase. Our previous share repurchase program terminated on March 31, 2022, until such amount is exhausted.

Item 6. [Reserved]

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Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Norfolk Southern Corporation and Subsidiaries

The following discussion and analysis should be read in conjunction with the Consolidated Financial Statements and Notes. Refer to Item 8 "Notes to Consolidated Financial Statements" for all "Note" references.

OVERVIEW

We are one of the nation's premier transportation companies, moving goods and materials that help drive the U.S. economy. We connect customers to markets and communities to economic opportunity with safe, reliable, and cost-effective shipping solutions. Our Norfolk Southern Railway Company subsidiary operates in 22 states and the District of Columbia. We are a major transporter of industrial products, including agriculture, forest and consumer products, chemicals, and metals and construction materials. In addition, in the East we serve every major container port and operate the most extensive intermodal network. We are also a principal carrier of coal, automobiles, and automotive parts.

In 2022, revenue growth led Our 2023 financial results were impacted by a February 2023 derailment in Eastern Ohio. The derailment of 38 railcars resulted in the release of certain chemicals that were being transported for our customers. Following the Incident (as defined and as further described in Note 17) and throughout the remainder of the year, we have worked to year-over-year improvements in clean the derailment site safely and thoroughly and to monitor for any impact on public health and the environment. As a result of the Incident, we incurred \$1.1 billion of expenses primarily related to our environmental cleanup and remediation efforts at and around the site, related legal proceedings, and other Incident-related costs. As a result, income from railway operations, net income, and diluted earnings per share. Throughout share declined compared to 2022, most significantly as a result of the year, we focused on efforts to increase our network fluidity direct costs from the Incident. Our financial results were further impacted by lower revenues and improve service for our customers. These efforts included the hiring of new conductors in a tight labor market and evolving our higher non-Incident-related operating plan, which collectively drove improvements in our network performance as we concluded the year and is providing strong momentum going into 2023. Additionally, new labor agreements were secured by December 2022 which provided retroactive pay and other benefits for our craft employees. As we head into 2023, we are focused on providing reliable and resilient service and delivering smart sustainable revenue growth that will deliver long-term value to our customers and shareholders. expenses.

SUMMARIZED RESULTS OF OPERATIONS

		2023					
		2023	2023	2023	2023	2022	2021
		2022	2021	2020		vs. 2021	vs. 2020
(\$ in millions, except per share amounts)							
Income from railway operations	Income from railway operations	\$ 4,809	\$ 4,447	\$ 3,002		8 %	48 %
Income from railway operations							
Income from railway operations							
Net income	Net income	\$ 3,270	\$ 3,005	\$ 2,013		9 %	49 %
Diluted earnings per share	Diluted earnings per share	\$ 13.88	\$ 12.11	\$ 7.84		15 %	54 %
Diluted earnings per share							
Diluted earnings per share							
Railway operating ratio (percent)	Railway operating ratio (percent)	62.3	60.1	69.3		4 %	(13 %)
Railway operating ratio (percent)							

Railway operating ratio
(percent)

Income from railway operations, net income and diluted earnings per share declined in 2023 compared to 2022, driven by expenses incurred with our response efforts to the Incident (Note 17), lower railway operating revenues, and higher non-Incident-related railway operating expenses. Railway operating revenues declined 5% due to lower average revenue per unit, the result of lower fuel surcharge revenue and decreased intermodal storage service revenues partially offset by favorable pricing and mix. Additionally, lower volumes contributed to the decline in revenues. Expenses associated with the Incident for the year were \$1.1 billion. In addition to costs resulting from the Incident, railway operating expenses increased due to inflationary pressures, investments in operational resiliency, and higher service-related costs, offset partially by lower fuel prices. The decline in net income and diluted earnings per share also reflects the absence of a prior year \$136 million deferred tax benefit, a result of an enactment of a change in the corporate income tax rate in the Commonwealth of Pennsylvania in 2022. Railway operating ratio (a measure of the amount of operating revenues consumed by operating expenses) deteriorated to 76.5 percent.

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Income from railway operations increased in 2022 compared to 2021, driven by higher railway operating revenues. Revenue growth was the result of higher fuel surcharge revenues and pricing gains, which more than offset the impact of volume declines. The rise in revenues was partly offset by increased railway operating expenses, driven by higher fuel prices, other inflationary pressures, service-related costs, increased labor-related costs primarily resulting from labor union negotiations, and higher claims-related expenses. Incremental expenses incurred in 2022 that resulted from finalized labor agreements for wages earned in 2021 and prior periods lowered diluted earnings per share by \$0.18. Additionally, net income includes included a \$136 million \$136 million deferred tax benefit resulting from a state corporate income tax rate change, in the Commonwealth of Pennsylvania, which increased diluted earnings per share by \$0.58. Our share repurchase activity resulted in the percentage increase in diluted earnings per share that exceeded that of net income. Railway operating ratio (a measure of the amount of operating revenues consumed by operating expenses) increased deteriorated to 62.3 percent.

Income from railway operations increased in 2021 compared to 2020, the result of a 14% increase in railway operating revenues and a 1% reduction in railway operating expenses. Revenue growth was driven by increased average revenue per unit and higher volumes, the result of improved customer demand. The decline in railway

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operating expenses was largely due to the absence of two charges, as 2020 results were adversely impacted by a \$385 million loss on asset disposal related to locomotives and a \$99 million impairment charge related to an equity method investment. For more information on these charges, see Notes 7 and 6, respectively. Higher fuel costs, purchased services, and compensation and benefits expense mostly offset the reduction associated with these charges. Additionally, gains on the sale of operating properties increased compared to 2020. The 48% increase in income from railway operations drove comparable increases in net income and diluted earnings per share. Our railway operating ratio decreased to 60.1 percent.

The following tables adjust table adjusts our 2020 2023 U.S. Generally Accepted Accounting Principles (GAAP) financial results to exclude the effects of the loss on asset disposal and investment impairment. Incident. The income tax effects on these of this non-GAAP adjustments adjustment were calculated based on the applicable tax rates to which the non-GAAP adjustments relate, adjustment related. We use these non-GAAP financial measures internally and believe this information provides useful supplemental information to investors to facilitate making period-to-period comparisons by excluding the 2020 charges, 2023 costs arising from the Incident. While we believe that these non-GAAP financial measures are useful in evaluating our business, this information should be considered as supplemental in nature and is not meant to be considered in isolation from, or as a substitute for, the related financial information prepared in accordance with GAAP. In addition, these non-GAAP financial measures may not be the same as similar measures presented by other companies.

Non-GAAP Reconciliation for 2023	Reported (GAAP)	Reported (GAAP)	Adjusted (non-GAAP)
Non-GAAP Reconciliation for 2023		Eastern Ohio Incident	

(\$ in millions, except per share amounts)		(\$ in millions, except per share amounts)	
Non-GAAP Reconciliation for 2020			
Income from railway operations	Reported	Loss on Asset Disposal	Adjusted (non-GAAP)
	(GAAP)	Impairment	GAAP)
Income from railway operations			(\$ in millions, except per share amounts)
Income from railway operations			
Railway operating expenses	\$ 6,787	\$ (385)	\$ (99)
Income from railway operations	\$ 3,002	\$ 385	\$ 99
Income before income taxes	\$ 2,530	\$ 385	\$ 99
Income taxes	\$ 3,014		
Income taxes	\$ 3,486		
Income taxes	\$ 517	\$ 97	\$ 25
Net income	\$ 2,013	\$ 288	\$ 74
Diluted earnings per share	\$ 7.84	\$ 1.12	\$ 0.29
Railway operating ratio (percent)	69.3	(3.9)	(1.0)
			64.4

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In the table below, references to 2020/2023 results and related comparisons use the adjusted, non-GAAP results from the reconciliation in the table above.

	Adjusted	2022	2021 vs. Adjusted	2021
Income from railway operations				\$3,967
Income from railway operations				\$4,809
Income from railway operations				\$4,447
	2020	vs.	2020	
	2022	2021	(non- GAAP)	2021
Net income				
	(\$ in millions, except per share amounts)		(% change)	
Net income				
Railway operating expenses	\$ 7,936	\$ 6,695	\$ 6,303	19 % 6 %
Income from railway operations	\$ 4,809	\$ 4,447	\$ 3,486	8 % 28 %
Income before income taxes	\$ 4,130	\$ 3,878	\$ 3,014	6 % 29 %
Income taxes	\$ 860	\$ 873	\$ 639	(1 %) 37 %
Net income	\$ 3,270	\$ 3,005	\$ 2,375	9 % 27 %
Diluted earnings per share	Diluted earnings per share	\$ 13.88	\$ 12.11	\$ 9.25
Railway operating ratio	Railway operating ratio	(percent)	(percent)	(percent)
(percent)	62.3	60.1	64.4	4 % (7 %)
	67.4	62.3	62.3	60.1
				8

On a non-GAAP basis excluding the impact of direct costs resulting from the Incident, income from railway operations decreased in 2023 due to lower railway operating revenues and higher railway operating expenses. Railway operating revenues declined due to decreased fuel surcharge revenue, decreased intermodal storage revenues, and lower volume, partially offset by increased pricing and favorable mix compared to the prior year. Railway operating expenses increased due to inflationary pressures, investments in operational resiliency, and higher service-related costs, partially offset by lower fuel prices.

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DETAILED RESULTS OF OPERATIONS

Railway Operating Revenues

The following tables present a three-year comparison of revenues, volumes (units), and average revenue per unit by commodity group.

	Revenues			2022	2021
	2022	2021	2020	vs. 2021	vs. 2020
	(\$ in millions)				
	Revenues				

		2023	2023	2023								
		(\$ in millions)										
		(\$ in millions)										
Merchandise:												
Merchandise:												
Merchandise:	Merchandise:											
Agriculture, forest and consumer products	Agriculture, forest and consumer products	\$ 2,493	\$ 2,251	\$ 2,116	11 %	6 %						
Agriculture, forest and consumer products												
Agriculture, forest and consumer products												
Chemicals	Chemicals	2,148	1,951	1,809	10 %	8 %						
Metals and construction	Metals and construction	1,652	1,562	1,333	6 %	17 %						
Metals and construction												
Metals and construction												
Automotive	Automotive	1,038	905	830	15 %	9 %						
Merchandise	Merchandise	7,331	6,669	6,088	10 %	10 %						
Merchandise												
Merchandise												
Intermodal	Intermodal	3,681	3,163	2,654	16 %	19 %						
Coal	Coal	1,733	1,310	1,047	32 %	25 %						
Coal	Coal											
Total	Total	\$ 12,745	\$ 11,142	\$ 9,789	14 %	14 %						
Total												
Total												

							(in thousands)			
							(in thousands)			
Merchandise:										
Merchandise:										
Agriculture, forest and consumer products	Merchandise:	Agriculture, forest and consumer products	723.0	725.5	704.4	— %	3 %			
Agriculture, forest and consumer products										
Agriculture, forest and consumer products										
Chemicals										
Chemicals	Chemicals	540.1	529.7	482.0	2 %	10 %				
Metals and construction	Metals and construction	634.6	669.0	601.2	(5 %)	11 %				
Metals and construction										
Metals and construction										
Automotive										
Automotive	Automotive	339.1	345.4	329.7	(2 %)	5 %				
Merchandise	Merchandise	2,236.8	2,269.6	2,117.3	(1 %)	7 %				
Merchandise										
Merchandise										
Intermodal										
Intermodal	Intermodal	3,913.1	4,104.1	3,992.1	(5 %)	3 %				
Coal	Coal	684.6	658.0	574.1	4 %	15 %				
Coal										
Coal										
Total	Total	6,834.5	7,031.7	6,683.5	(3 %)	5 %				
Total										
Total										

Merchandise:							
Merchandise:							
Merchandise: Agriculture, forest and consumer products	Merchandise: Agriculture, forest and consumer products	\$3,448	\$3,102	\$3,004	11 %	3 %	
Agriculture, forest and consumer products							
Agriculture, forest and consumer products							
Chemicals							
Chemicals	Chemicals	3,978	3,684	3,753	8 %	(2 %)	
Metals and construction	Metals and construction	2,604	2,334	2,216	12 %	5 %	
Metals and construction							
Metals and construction							
Automotive							
Automotive	Automotive	3,059	2,621	2,518	17 %	4 %	
Merchandise	Merchandise	3,277	2,938	2,875	12 %	2 %	
Merchandise							
Intermodal							
Intermodal	Intermodal	941	771	665	22 %	16 %	
Coal	Coal	2,532	1,991	1,824	27 %	9 %	
Coal							
Coal							
Total	Total	1,865	1,584	1,465	18 %	8 %	
Total							
Total							

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Revenues decreased \$589 million in 2023 but increased \$1.6 billion in 2022 and \$1.4 billion in 2021 compared to the prior years. Revenues declined in 2023 as a result of lower average revenue per unit, driven by decreases in fuel surcharge revenue and intermodal storage revenues, and volume declines. Higher revenue for 2022 was the result of increased average revenue per unit, driven by higher fuel surcharge revenue, pricing gains, improved mix, and increased intermodal storage service charges, partially offset by volume declines. In 2021, higher revenue was the result of increased average revenue per unit, driven by pricing gains, higher fuel surcharge revenue, increased intermodal storage service charges and improved mix, as well as volume growth.

The table below reflects the components of the revenue change by major commodity group.

2023 vs. 2022	2023 vs. 2022	2022 vs. 2021
Increase (Decrease)		Increase (Decrease)

Merchandise		(\$ in millions)						(\$ in millions)					
		2022 vs. 2021			2021 vs. 2020								
		Increase (Decrease)		Increase (Decrease)				Merchandise	Intermodal	Coal	Merchandise	Intermodal	Coal
		(\$ in millions)						Merchandise	Intermodal	Coal	Merchandise	Intermodal	Coal
		Merchandise	Intermodal	Coal	Merchandise	Intermodal	Coal	Merchandise	Intermodal	Coal	Merchandise	Intermodal	Coal
Volume	Volume	\$ (96)	\$ (147)	\$ 53	\$ 438	\$ 75	\$ 153						
Fuel surcharge	Fuel surcharge												
revenue	revenue	455	417	79	91	178	4						
revenue	revenue												
Rate, mix and	Rate, mix and												
other	other												
other	other	303	248	291	52	256	106						
Total	Total	\$ 662	\$ 518	\$ 423	\$ 581	\$ 509	\$ 263						
Total	Total												

Approximately 95% of our revenue base is covered by contracts that include negotiated fuel surcharges. Fuel surcharge revenues totaled \$1.6 billion \$1.2 billion, \$622 million \$1.6 billion, and \$349 million \$622 million in 2023, 2022, 2021, and 2020, 2021, respectively. The increase change in fuel surcharge revenues in 2022 and 2021 each period was primarily driven by higher fluctuations in fuel commodity prices.

For 2023, 2024, we expect that revenue growth will be a challenge, as there is substantial economic uncertainty. Additionally, we expect revenue headwinds resulting from lower fuel prices, softening coal pricing, and declining storage service charges. In this difficult environment, we will continue to fight to increase revenue modestly driven by recapturing truck-competitive freight and achieving pricing gains, higher volumes.

MERCHANDISE revenues increased in both 2022 2023 and 2021 2022 compared with the prior years. In 2023, revenues were slightly higher as pricing and volume gains were nearly offset by lower fuel surcharge revenue and unfavorable mix. Increased volumes in automotive and agriculture, forest and consumer shipments were partially offset by decreased chemicals shipments. In 2022, revenues rose due to higher average revenue per unit, driven by higher fuel surcharge revenue and increased pricing, partially offset by lower volume. Decreased volumes in metal and construction and automotive shipments more than offset higher chemical shipments. In 2021, revenues rose due to increased volume and higher average revenue per unit driven by increased fuel surcharge revenue and pricing. Volumes increased in all merchandise commodity groups, reflecting economic recovery following the onset of the COVID-19 pandemic.

Agriculture, forest and consumer products revenues increased in both 2022 2023 and 2021 2022 compared with the prior years. In 2023, the rise was the result of increased volume. Average revenue per unit was flat, the result of lower fuel surcharge revenue offset by pricing gains. Increases in ethanol and fertilizer shipments more than offset declines in shipments of wood chips and graphic paper. Increased market demand led to volume gains in ethanol and fertilizer. Volume declines in wood chips were due to customer mill closures, while lower market demand led to the decline in graphic paper. In 2022, the rise was the result of increased average revenue per unit, the result of higher fuel surcharge revenue and pricing gains, while volumes were nearly flat. Declines in pulpboard, fertilizer, and pulp, were offset by increases in soybeans, feed, and corn. Pulpboard and pulp shipments declined due to decreased demand, equipment availability, service disruptions, and production down time. Lower fertilizer shipments were driven by high fertilizer prices causing customers to draw down on existing inventories or delay purchases as well as production disruptions. Soybean volumes were higher due to increased opportunity for exports. Feed shipments were higher due to increased customer demand. Increased corn shipments were due to improved equipment cycle times. In 2021, higher revenues were the result of higher volume across almost all markets, as the economy improved from the early months of the pandemic in 2020, and increased average revenue per unit, the result of pricing gains and higher fuel surcharge revenue. Gains in ethanol, pulpboard, beverages, lumber and wood, and woodchips more than offset declines in soybeans and pulp.

Chemicals revenues decreased in 2023 but increased in both 2022 and 2021 compared with the prior years. In 2023, the decrease was as a result of volume declines. Reduced shipments of crude oil, organic chemicals, and natural gas liquids, more than offset the increases in solid waste and other petroleum products. Volume declines for crude oil were driven by soft demand in the energy markets. Organic chemicals and natural gas liquids volume declined as a result

of lower demand. Volume gains in solid waste were due to growth with existing customers, while the gains in petroleum products were due to growth with existing customers and new business opportunities. In 2022, the increase was the result of higher average revenue per unit, driven by fuel surcharge revenue and pricing gains, and volume growth.

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Increases in sand and solid waste shipments were partially offset by declines in plastics, inorganic chemicals, organic chemicals, and natural gas liquids. The increase in sand was due to greater demand resulting from sustained high natural gas prices. Solid waste shipments increased due to growth with existing customers. Plastics shipments decreased due to softening of the housing market. Declines in inorganic chemicals, organic chemicals, and natural gas liquids shipments were due to decreased demand and reduced production. In 2021, the increase was the result of volume growth partially offset by lower average revenue per unit, driven by mix of traffic. The increase in volume was due to economic and production recovery since the beginning of the pandemic, despite ongoing challenges in the energy markets. The markets with the largest gains were solid waste, industrial chemicals, sand, natural gas liquids, and plastics.

Metals and construction revenues were lower in 2023 but higher in both 2022 and 2021 compared with the prior years. In 2023, the decline in revenue was driven by lower average revenue per unit, the result of decreased fuel surcharge revenue partially offset by increased price. Volumes were nearly unchanged as reduced shipments of kaolin and construction materials were offset by volume gains in coil steel and scrap metal. The volume declines in kaolin were largely driven by lower demand, while the declines in construction materials were due to lower demand, extended cycle times and service challenges. Gains in coil steel volume were due to increased equipment available to handle demand, while scrap metal volume increased due to higher demand. In 2022, revenue growth was driven by higher average revenue per unit, the result of higher fuel surcharge revenue and pricing gains, partially offset by lower volume. Volumes fell largely as a result of decreased shipments of coil steel, iron and steel, and scrap metal driven by service disruptions and slower equipment cycle times. In 2021, revenue growth was driven by increased volumes and higher average revenue per unit, the result of pricing gains and higher fuel surcharge revenue. Volume increased across almost all markets due to economic improvement since the beginning of the pandemic. The commodities serving the metal production industry, including coil steel, scrap metal, and iron and steel, experienced the largest gains.

Automotive revenues rose in both 2022 and 2021 compared with the prior years. The increase in revenues in 2023 was driven by increased volume and higher average revenue per unit, driven by favorable price. Volume increases were due to higher finished vehicle inventory levels available for rail transportation and improved equipment cycle times. The increase in revenues in 2022 was driven by higher average revenue per unit, due to higher fuel surcharge revenue and pricing gains, partially offset by volume declines. Volume declines were the result of slower equipment cycle times partially offset by fewer parts supply issues due to easing supply chain congestion when compared to the prior year. In 2021, the increase in revenues was driven by volume growth and higher average revenue per unit, a result of an increase in fuel surcharge revenue and pricing gains. Automotive volumes were higher due primarily to increased retail demand and the impact of prior-year pandemic-induced production shutdowns. This was partially offset by the impact of the microchip shortage on production.

INTERMODAL revenues decreased in 2023 but increased in both 2022 and 2021 compared with the prior years. The decrease in 2023 was the result of lower average revenue per unit, driven by reduced storage service charges and lower fuel surcharge revenue, and decreased volume. The increase in 2022 was the result of higher average revenue per unit, driven by higher fuel surcharge revenue, pricing gains, and increased storage service charges, partially offset by decreased volume. The rise in 2021 was primarily the result of higher average revenue per unit driven by increased storage service charges, higher fuel surcharge revenue and pricing gains.

Intermodal units by market were as follows:

		2023				
		2023	2023	2023	2022	2021
Domestic	Domestic	2022	2021	2020	vs. 2021	vs. 2020
		(units in thousands)				
Domestic	Domestic	2,573.6	2,630.6	2,568.7	(2 %)	2 %
Domestic					(% change)	
Domestic						

International						
International						
International	International	1,339.5	1,473.5	1,423.4	(9 %)	4 %
Total	Total	3,913.1	4,104.1	3,992.1	(5 %)	3 %
Total						
Total						

Domestic volume decreased in both 2023 and 2022 but increased in 2021 compared with the prior years. In 2023, volume declined due to a decrease in freight demand as a result of reduced consumer consumption combined with high inventories, and increased truck competition. In 2022, volume declined due to service disruptions, terminal congestion, strong over-the-road competition, and increased truck availability. In 2021, volume rose due to strong consumer demand which was partially offset by overall supply chain congestion, including equipment availability issues.

International volume fell increased in 2022 2023 but rose decreased in 2021 2022. The increase in 2023 was driven by ocean carriers favoring inland point intermodal traffic, partially offset by a decrease in imports. The decline in 2022 was the result of supply chain constraints, chassis shortages, and excess retail inventory. The increase in 2021 was the result of strong import demand despite being limited by various supply chain constraints, including chassis availability issues.

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COAL revenues decreased in 2023 but increased in both 2022 and 2021 compared with the prior years. The decrease in 2023 was a result of decreased volumes. Average revenue per unit was flat as lower fuel surcharge revenue and pricing declines were offset by positive mix. The increase in 2022 was due to higher average revenue per unit, driven by pricing gains and higher fuel surcharge revenue, and increased volumes. The increase in 2021 was due to increased volumes and higher average revenue per unit driven by pricing gains and positive mix.

As shown in the following table, total tonnage decreased in 2023 but increased in both 2022 and 2021 2022.

		2023				
		2023				
		2023				
		2022	2021	2020	2022 vs. 2021	2021 vs. 2020
		(tons in thousands)			(% change)	
Utility	Utility	35,705	33,169	32,479	8 %	2 %
Utility						
Utility						
Export						
Export	Export	25,887	24,886	18,900	4 %	32 %
Domestic	Domestic					
metallurgical	metallurgical	11,307	11,804	9,441	(4 %)	25 %
Domestic metallurgical						
Domestic metallurgical						
Industrial						
Industrial						
Industrial	Industrial	3,765	3,595	3,566	5 %	1 %
Total	Total	76,664	73,454	64,386	4 %	14 %
Total						
Total						

Utility coal tonnage decreased in 2023 but increased in both 2022 and 2021 compared with the prior years. The decrease in 2023 was due to low natural gas prices, high stockpiles, and unplanned customer outages. The increase in 2022 was due to increased demand and service improvements. The increase in 2021 was due to higher natural gas prices and increased demand from coal-sourced electrical generation.

Export coal tonnage increased in both periods compared with prior years. The increase in 2022 was both years were a result of strong global increased demand and increased coal supply. The increase in 2021 was a result of strong seaborne pricing, improved global economic conditions, and greater global demand.

Domestic metallurgical coal tonnage decreased in both 2023 and 2022 but increased in 2021 compared with the prior years. The decrease in 2023 was due to reduced coke shipments resulting from idled customer facilities. The decrease in 2022 was the result of reduced coke shipments related to customer sourcing changes and idled customer facilities. The increase in 2021 was the result of strong recovery in the steel market.

Industrial coal tonnage decreased in 2023 but increased in both 2022 and 2021 compared with the prior year as a years. The decrease in 2023 was due to reduced coal shipments related to customer sourcing changes. The increase in 2022 was the result of increased demand.

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Railway Operating Expenses

Railway operating expenses summarized by major classifications were as follows:

		2023												
		2022			2021			2020		2022		2021		
				(\$ in millions)							vs. 2021		vs. 2020	
Compensation and benefits	Compensation and benefits	\$	2,621	\$	2,442	\$	2,373				7 %		3 %	
Compensation and benefits														
Compensation and benefits														
Purchased services and rents														
Purchased services and rents														
Purchased services and rents	Purchased services and rents		1,922		1,726		1,687				11 %		2 %	
Fuel	Fuel		1,459		799		535				83 %		49 %	
Fuel														
Depreciation														
Depreciation	Depreciation		1,221		1,181		1,154				3 %		2 %	
Materials and other	Materials and other		713		547		653				30 %		(16 %)	
Loss on asset disposal			—		—		385							
Materials and other														
Materials and other														
Eastern Ohio incident														
Eastern Ohio incident														
Eastern Ohio incident														
Total	Total	\$	7,936	\$	6,695	\$	6,787				19 %		(1 %)	

Total

Total

K24

In 2023, expenses increased as we incurred \$1.1 billion of costs related to environmental matters and legal proceedings resulting from the Incident (Note 17). Additionally, railway operating expenses reflected higher costs due to inflationary pressures, investments in operational resiliency, and higher service-related costs. Partially offsetting these increases were the impacts of lower fuel prices and the absence of retroactive wage increases recorded in 2022. In 2022, expenses increased primarily as a result of higher fuel prices, other inflationary pressures, service-related costs, increased labor-related costs resulting from labor union negotiations, and higher claims expenses. In 2021, expenses declined primarily as a result of the absence of the 2020 loss on asset disposal and the equity method investment impairment charge, which is included in purchased services and rents. This was partially offset by higher fuel costs, increased other purchased services, and higher compensation and benefits expense.

Compensation and benefits increased in 2022, 2023, reflecting changes in:

- employee activity levels (up \$138 million),
- pay rates (up \$86 million),
- overtime (up \$9 million),
- incentive and stock-based compensation (down \$30 million), and
- other (down \$5 million).

In 2022, compensation and benefits increased, a result of changes in:

- pay rates (up \$188 million),
- employee activity levels (up \$51 million),
- overtime (up \$18 million),
- incentive and stock-based compensation (down \$79 million), and
- other (up \$1 million).

The increase in pay Pay rates in 2022 includes payments were impacted by the outcome of completed labor negotiations, which resulted in excess of amounts previously estimated in 2021 and 2020 for retroactive wage increases and other benefits under our labor agreements. In 2022, pertaining to prior years. These wage increases and benefits increased compensation and benefits includes by \$54 million and purchased services includes \$2 million of additional expenses pertaining to compensation earned in those periods.

In 2021, compensation and benefits increased, a result of changes in:

- incentive and stock-based compensation (up \$128 million),
- overtime and recrews (up \$47 million),
- increased pay rates (up \$41 million),
- health and welfare benefits for craft employees (down \$19 million),
- employee activity levels (down \$154 million), and
- other (up \$26 million)..

Our employment averaged 20,300 in 2023, compared with 18,900 in 2022, compared with and 18,500 in 2021, and 20,200 in 2020. 2021.

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Purchased services and rents includes the costs of services purchased from external vendors and contractors, including the net costs of operating joint (or leased) facilities with other railroads and the net cost of equipment rentals.

2023				
2022	2021	2020	vs. 2021	vs. 2020

		(\$ in millions)						(% change)	
Purchased services	Purchased services	\$ 1,565	\$ 1,409	\$ 1,387				11 %	2 %
Purchased services									
Purchased services									
Equipment rents	Equipment rents	357	317	300				13 %	6 %
Total	Total	\$ 1,922	\$ 1,726	\$ 1,687				11 %	2 %
Total									
Total									

The increase in purchased services in 2023 was due to higher technology-related costs, increased operational and transportation expenses, and higher engineering activity. The increase in purchased services in 2022 was due to inflationary pressures which resulted in higher intermodal-related expenses, and increased operational and transportation expenses, as well as higher technology-related costs. The increase in purchased services in 2021 was due to increased technology costs, higher intermodal-related expenses, and increased Conrail, Inc. (Conrail) costs. This was partially offset by the absence of a prior year \$99 million impairment related to an equity method investment.

Equipment rents, which includes our cost of using equipment (mostly freight cars) owned by other railroads or private owners less the rent paid to us for the use of our equipment, increased in both periods. In 2023, the increase was due to increased intermodal equipment expenses, higher freight car lease costs, and decreased equity in TTX Company's (TTX) earnings. In 2022, the increase was the result of lower network fluidity which led to greater time-and-mileage expenses, increased automotive and

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intermodal equipment expenses, and higher short-term locomotive resource costs. In 2021, equipment rents were higher for general-use equipment due to decreased network velocity and increased volume. These increases were partially offset by lower intermodal costs and higher equity in TTX earnings.

Fuel expense, which includes the cost of locomotive fuel as well as other fuel used in railway operations, decreased in 2023 but increased in both periods. 2022. The change decrease in both years 2023 was due to lower locomotive fuel prices (down 20%), which decreased fuel expense by \$275 million. The increase in 2022 was due to higher locomotive fuel prices (up 87% in 2022 and 43% in 2021) which increased expenses by \$634 million in 2022 and \$224 million in 2021. Locomotive fuel consumption was nearly flat in 2023 and decreased 2% in 2022, but increased 4% in 2021. 2022. We consumed 376 million 377 million gallons of diesel fuel in 2022, 2023, compared with 384 376 million gallons in 2021 2022 and 368 million 384 million gallons in 2020, 2021.

Depreciation expense increased in both periods. In both periods, the increase was a reflection of reinvestment in our infrastructure, rolling stock, and technology. The increase in 2023 also reflects the impact of changes in group depreciable lives as a result of our periodic roadway study.

Materials and other expenses increased in both 2023 and 2022 but decreased in 2021 as shown in the following table.

		2023				
		2022	2021	2020	2022	2021
		(\$ in millions)			vs. 2021	
Materials	Materials	\$ 283	\$ 250	\$ 274	13 %	(9 %)
Materials						
Materials						
Claims	Claims	270	165	179	64 %	(8 %)
Claims						
Claims						
Other						
Other						

Other	Other	160	132	200	21 %	(34 %)
Total	Total	\$ 713	\$ 547	\$ 653	30 %	(16 %)
	Total					
	Total					

Materials expense increased in 2022 but decreased both 2023 and 2022. The increases in 2021. The increase in 2022 is both years were due to increased locomotive, freight car, and track materials costs. In 2021, the decrease was due primarily to lower maintenance requirements as a result of fewer locomotives and freight cars in service.

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Claims expense includes costs related to personal injury, property damage, and environmental matters. The decrease in 2023 was primarily the result of lower personal injury case development, lower costs related to environmental remediation matters unrelated to the Incident, and a claims-related recovery. The increase in 2022 was primarily the result of higher costs associated with unfavorable personal injury case development, increased environmental remediation expenses, and higher lading and property damage costs. The decrease in 2021 was primarily the result of lower costs associated with derailments and personal injuries.

Other expense increased in 2023 primarily due to lower gains from operating property sales and increased travel-related expenses. In 2022, other expense increased primarily due to higher travel-related expenses, increased non-income based non-income-based taxes, and lower gains from sales of operating property, partially offset by lower relocation expenses. In 2021, other expense decreased primarily due to higher gains from sales of operating property. Gains from operating property sales amounted to \$76 million \$43 million, \$82 million \$76 million, and \$26 million \$82 million in 2023, 2022, 2021, and 2020, 2021, respectively.

Loss on asset disposal Eastern Ohio incident

During 2020, 2023, we recorded a \$385 million charge related to \$1.1 billion for costs primarily associated with environmental matters and legal proceedings. We recorded \$101 million of recoveries from claims made under our insurance policies, which are included in the disposal of 703 locomotives, total amount recorded in 2023. For more information on further details regarding the impact of the charge, Incident, see Note 7.17 in Item 8 "Notes to Consolidated Financial Statements."

Other income Income – net Net

Other income – net increased in 2023 but decreased in both 2022 and 2021. Other income fell 2022. The increase in 2022 due to lower 2023 was the result of higher net returns on corporate-owned life insurance (COLI) and increased interest income, partially offset by lower gains from non-operating property sales. The decrease in 2022 was driven by lower net returns on COLI partially offset by a higher net pension benefit and increased interest income. The decrease in 2021 was driven by lower net returns on COLI and lower gains on sales of non-operating property.

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Income taxes Taxes

The effective income tax rate was 21.3% in 2023, compared with 20.8% in 2022 compared with and 22.5% in 2021 and 20.4% in 2020, 2021. The current year benefited from tax credits and higher COLI returns offset by \$136 million due to an enacted reduction to the Pennsylvania corporate reduced benefits from stock-based compensation. The effective income tax rate while in 2022 and 2021 benefited by \$34 million due to various state law changes (see Note 4). All years experienced reflects favorable benefits associated with stock-based compensation and various state law changes (Note 4), while 2021 and 2020 also benefited from higher COLI returns.

For 2023, 2024, we expect an effective income tax rate between 23% and 24%.

FINANCIAL CONDITION, LIQUIDITY, AND CAPITAL RESOURCES

Cash provided by operating activities, our principal source of liquidity, was \$3.2 billion in 2023, \$4.2 billion in 2022, and \$4.3 billion in 2021, and \$3.6 billion 2021. The decrease in 2020, 2023 reflects lower operating results, offset in part by changes in working capital. The decrease in 2022 reflected changes in working capital, offset in part by improved operating results. The increase in 2021 was primarily the result We had working capital of improved operating results. We had \$639 million at December 31, 2023 and negative working capital of \$642 million at December 31, 2022 and \$354 million at December 31, 2021. Cash and cash equivalents totaled \$1.6 billion and \$456 million and \$839 million at December 31, 2022 December 31, 2023, and 2021, 2022, respectively. We expect that cash on hand

combined with cash provided by operating activities will be sufficient to meet our ongoing obligations. In addition, we believe our currently-available borrowing capacity, access to additional financing, and ability to reduce property additions and shareholder distributions, including share repurchases, provides us and ability to moderate or defer property additions provide additional flexibility to meet our ongoing obligations obligations in the short- and long-term.

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Contractual obligations at December 31, 2022 December 31, 2023, including those that may have material cash requirements, include interest on fixed-rate long-term debt, long-term debt (Note 9), asset purchase of CSR (Note 17), unconditional purchase obligations (Note 17), long-term advances from Conrail Inc. (Conrail) (Note 6), operating leases (Note 10), agreements with Consolidated Rail Corporation (CRC) (Note 6), and unrecognized tax benefits (Note 4).

	Total	2024 - 2026 - 2028 and				Total	2025 - 2026	2027 - 2028	2029 and Subsequent	
		2023	2025	2027	Subsequent					
Interest on fixed-rate long-term debt	Interest on fixed-rate long-term debt	(\$ in millions)								(\$ in millions)
Interest on fixed-rate long-term debt		\$17,085	\$ 643	\$1,239	\$1,144	\$ 14,059				
Interest on fixed-rate long-term debt										
Long-term debt principal	Long-term debt principal	16,012	603	957	1,223	13,229				
Asset purchase of CSR										
Unconditional purchase obligations	Unconditional purchase obligations	1,650	757	736	80	77				
Long-term advances from Conrail	Long-term advances from Conrail	534	—	—	—	534				
Operating leases	Operating leases	462	103	182	96	81				
Agreements with CRC	Agreements with CRC	272	42	84	84	62				
Unrecognized tax benefits*	Unrecognized tax benefits*	22	—	—	—	22				
Total	Total	\$36,037	\$2,148	\$3,198	\$2,627	\$ 28,064				
Total	Total									

* This amount is shown in the 2028 2029 and Subsequent column because the year of settlement cannot be reasonably estimated.

Off balance sheet arrangements consist primarily of unrecognized obligations, including unconditional purchase obligations and future interest payments on fixed-rate long-term debt, the pending purchase of the assets of CSR, and unconditional purchase obligations which are included in the table above.

Cash used in investing activities was \$2.2 billion in 2023, \$1.6 billion in 2022, and \$1.2 billion in both 2021 and 2020. The increase in 2023 was primarily driven by higher property additions and lower proceeds from property sales. In 2022, the increase is due to higher property additions partially offset by increased

proceeds from property sales. In 2021, lower proceeds from property sales were mostly offset by reduced COLI policy loan repayments and lower property additions.

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Capital spending and track and equipment statistics can be found within the "Railway Property" section of Part I of this report on Form 10-K. For 2023, 2024, we expect property additions, will be approximately \$2.1 billion excluding the purchase of the CSR, to approximate \$2.3 billion.

In November 2022, we entered into an asset purchase and sale agreement with the Board of Trustees of the Cincinnati Southern Railway CSR, which was amended and restated in June 2023, to purchase approximately 337 miles of railway line that extends from Cincinnati, Ohio to Chattanooga, Tennessee which we Tennessee. We currently operate this railway line under a lease agreement. The Following the June 2023 amendment, the total purchase price for the line and other associated real and personal property included in the transaction is expected to be approximately \$1.6 \$1.7 billion. The agreement is was conditioned upon the following, among other items: (i) certain changes to Ohio state law applicable to the use of the related sale proceeds, Cincinnati Voter Approval, which was obtained in November 2023, and (ii) approval by the voters of the City of Cincinnati, and (iii) the receipt of regulatory approval from the STB, STB, which occurred in September 2023. The agreement includes various termination provisions including termination at any time prior transaction is scheduled to closing by the mutual written consent of the parties, termination at any time after December 31, 2024 by the mutual written consent of the parties, termination by us if the STB takes action that we deem unsatisfactory, and termination by either party if Cincinnati voter approval is not obtained close on or before the later of June 30, 2025 and the calendar date on which the polls are open for the 2025 Cincinnati primary election. March 15, 2024.

Cash used in provided by financing activities was \$115 million in 2023, while cash used in financing activities was \$3.0 billion in 2022 compared with and \$3.3 billion in 2021, and \$1.9 billion 2021. The increase in 2020. The decrease cash provided by financing activities in 2022 2023 reflects lower repurchases of Common Stock and increased proceeds from borrowings, partially offset by higher dividends, debt repayments. In 2021, 2022, the increase decrease in cash used in financing activities reflects higher lower repurchases of Common Stock and debt repayments, increased proceeds from borrowings, partially offset by increased proceeds from borrowings, higher dividends.

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Share repurchases of \$622 million in 2023, \$3.1 billion in 2022, and \$3.4 billion in 2021 and \$1.4 billion in 2020 resulted in the retirement of 12.6 million 2.8 million, 12.7 million 12.6 million, and 7.4 million 12.7 million shares, respectively. On March 29, 2022, our Board of Directors authorized a new program for the repurchase of up to an additional \$10.0 billion of Common Stock beginning April 1, 2022. Our previous share repurchase program terminated on March 31, 2022. As of December 31, 2022 December 31, 2023, \$7.5 \$6.9 billion remains authorized by our Board of Directors for repurchase. The timing and volume of future share repurchases will be guided by our assessment of market conditions and other pertinent factors. Repurchases may be executed in the open market, through derivatives, accelerated repurchase and other negotiated transactions and through plans designed to comply with Rule 10b5-1(c) and Rule 10b-18 under the Securities and Exchange Act of 1934. Any near-term purchases under the program are expected to be made with internally-generated cash, cash on hand, or proceeds from borrowings.

In June 2022, November 2023, we issued \$750 million \$400 million of 4.55% 5.55% senior notes due 2053. 2034 and \$600 million of 5.95% senior notes due 2064.

In August 2023, we issued \$600 million of 5.05% senior notes due 2030 and \$1.0 billion of 5.35% senior notes due 2054.

In February 2022, 2023, we issued \$600 million \$500 million of 3.00% 4.45% senior notes due 2032 and \$400 million of 3.70% senior notes due 2053. 2033.

In May 2022, 2023, we renewed our accounts receivable securitization program with a maximum borrowing capacity of \$400 million. Amounts under our accounts receivable securitization program are borrowed and repaid from time to time in the ordinary course for general corporate and cash management purposes. The term of our accounts receivable securitization program expires in May 2023. 2024. We had \$100 million in borrowings no amounts outstanding under this program at December 31, 2023 and our \$100 million outstanding at December 31, 2022. Our available borrowing capacity was \$400 million at December 31, 2023 and \$300 million at December 31, 2022 and \$400 million at December 31, 2021.

We also have in place In January 2024, we renewed and available an amended our \$800 million credit agreement. The amended agreement expiring expires in March 2025, which January 2029, and provides for borrowings at prevailing rates and includes covenants. We had no amounts outstanding under this facility at either December 31, 2022 December 31, 2023 or December 31, 2021 December 31, 2022, and we are in compliance with all of its covenants.

In January 2024, we also entered into a term loan credit agreement that established a 364-day, \$1.0 billion, unsecured delayed draw term loan facility under which we can borrow for general corporate purposes. The term loan credit agreement provides for borrowing at prevailing rates and includes covenants that align with the \$800 million credit agreement.

In addition, we have investments in general purpose COLI policies and had the ability to borrow against these policies up to \$640 million and \$610 million at December 31, 2023 and \$715 million at December 31, 2022 and December 31, 2021, respectively.

Our debt-to-total capitalization ratio was 54.4% 57.3% at December 31, 2022 December 31, 2023, compared with 50.4% 54.4% at December 31, 2021 December 31, 2022. We discuss our credit agreement and our accounts receivable securitization program in Note 9. Subsequent to December 31, 2022, we issued \$500 million in fixed rate debt securities. These senior notes, issued February 2, 2023, carry an interest rate of 4.45% and mature in 2033. After this issuance, we have authority from our Board of

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Directors to issue an additional \$800 million of debt or equity securities through public or private sale, all of which provide for access to additional liquidity should the need arise.

Upcoming annual debt maturities are disclosed in Note 9. Overall, our goal is to maintain a capital structure with appropriate leverage to support our business strategy and provide flexibility through business cycles.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions may require judgment about matters that are inherently uncertain, and future events are likely to occur that may require us to make changes to these estimates and assumptions. Accordingly, we regularly review these estimates and assumptions based on historical experience, changes in the business environment, and other factors we believe to be reasonable under the circumstances. The following critical accounting

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Incident Contingencies

We are currently involved in certain environmental response and remediation activities and subject to numerous legal proceedings and regulatory inquiries and investigations relating to the Incident. We have accrued estimates of the probable and reasonably estimable costs for the resolution of these matters. Our environmental estimates are a subset based upon types of remediation efforts currently anticipated, the volume of contaminants in the impacted areas, and governmental oversight and other costs, amongst other factors. Estimates associated with the legal proceedings to which we are subject are based on information that is currently available, including but not limited to an assessment of the proceedings and the potential and likely results of such proceedings.

Our current estimates of future environmental cleanup and remediation liabilities related to the Incident may change over time due to various factors, including but not limited to, the nature and extent of required future cleanup and removal activities (including those resulting from soil, water, sediment, and air assessment and investigative activities that are and will continue to be conducted at the site), and the extent and duration of governmental oversight, amongst other factors. Additionally, the final outcome of any of the legal proceedings and regulatory inquiries and investigations cannot be predicted with certainty, and developments related to the progress of such legal proceedings, inquiries, or investigations or other unfavorable or unexpected outcomes could result in additional costs or new or additionally accrued amounts that could be material to our significant accounting results of operations in any particular year. Furthermore, certain costs may be recoverable under our insurance policies described in effect at the date of the Incident or from third parties. Any amounts that are recoverable under our insurance policies or from third parties will be reflected in the period in which recovery is considered probable.

See Note 1.17 for more detailed information as it pertains to these contingencies.

Pensions and Other Postretirement Benefits

Accounting for pensions and other postretirement benefit plans requires us to make several estimates and assumptions (Note 12). These include the expected rate of return from investment of the plans' assets and the expected retirement age of employees as well as their projected earnings and mortality. In addition, the amounts recorded are affected by changes in the interest rate environment because the associated liabilities are discounted to their present value. We make these estimates based on our historical experience and other information we deem pertinent under the circumstances (for example, expectations of future stock market performance). We utilize an independent actuarial consulting firm's studies to assist us in selecting appropriate actuarial assumptions and valuing related liabilities.

For 2022, 2023, we assumed a long-term investment rate of return of 8.0%, which was supported by our long-term total rate of return on pension plan assets since inception, as well as our expectation of future returns. A one-percentage point change decrease to this rate of return assumption would result in a \$26 million change \$25 million increase in annual pension expense. We review assumptions related to our defined benefit plans annually, and while changes are likely to occur in assumptions concerning retirement age, projected earnings, and mortality, they are not expected to have a material effect on our net pension expense or net pension liability in the future. The net pension liability is recorded at net present value using discount rates that are based on the current interest rate environment in light of the timing of expected benefit payments. We utilize analyses in which the projected annual cash flows from the pension and postretirement benefit plans are matched with yield curves based on an appropriate universe of high-quality corporate bonds. We use the results of the yield curve analyses to select the discount rates that match the payment streams of the benefits in these plans. A one-percentage point change decrease to this discount rate assumption would result in a \$3 million change \$15 million increase in annual pension expense.

Properties and Depreciation

Most of our assets are long-lived railway properties (Note 7). "Properties" are stated principally at cost and are depreciated using the group method whereby assets with similar characteristics, use, and expected lives are grouped

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together in asset classes and depreciated using a composite depreciation rate. See Note 1 for a more detailed discussion of assumptions and estimates.

Expenditures, including those on leased assets, that extend an asset's useful life or increase its utility are capitalized. Expenditures capitalized include those that are directly related to a capital project and may include materials, labor, and other direct costs, in addition to an allocable portion of indirect costs that relate to a capital project. A significant portion of our annual capital spending relates to self-constructed assets. Costs related to repairs and

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maintenance activities that, in our judgment, do not extend an asset's useful life or increase its utility are expensed when such repairs are performed.

Depreciation expense for 2022, 2023 totaled \$1.2 billion \$1.3 billion. Our composite depreciation rates for 2022, 2023 are disclosed in Note 7; a one-year increase (or decrease) in the estimated average useful lives of depreciable assets would have resulted in an approximate \$44 million \$47 million decrease (or increase) to annual depreciation expense.

Personal Injury

Claims expense, included in "Materials and other" in the Consolidated Statements of Income, includes our estimate of costs for personal injuries.

To aid in valuing our personal injury liability and determining the amount to accrue with respect to such claims during the year, we utilize studies prepared by an independent actuarial consulting firm. The actuarial firm studies our historical patterns of reserving for claims and subsequent settlements, taking into account relevant outside influences. We adjust the liability quarterly based upon our assessment and the results of the study. The accuracy of our estimate of the liability is subject to inherent limitation given the difficulty of predicting future events and, as such, the ultimate loss sustained may vary from the estimated liability recorded.

See Note 17 for a more detailed discussion of the assumptions and estimates we use for personal injury.

Income Taxes

Our net deferred tax liability totaled \$7.3 billion \$7.2 billion at December 31, 2022 December 31, 2023 (Note 4). This liability is estimated based on the expected future tax consequences of items recognized in the financial statements. After application of the federal statutory tax rate to book income, judgment is required with respect to the timing and deductibility of expenses in our income tax returns. For state income and other taxes, judgment is also required with respect to the apportionment among the various jurisdictions. A valuation allowance is recorded if we expect that it is more likely than not that deferred tax assets will not be realized. We have a \$41 \$31 million valuation allowance on \$373 \$570 million of deferred tax assets as of December 31, 2022 December 31, 2023, reflecting the expectation that substantially all of these assets will be realized.

OTHER MATTERS

Labor Agreements

Approximately 80% of our railroad employees are covered by collective bargaining agreements with various labor unions. Pursuant to the Railway Labor Act, (RLA), these agreements remain in effect until new agreements are reached, or until the bargaining procedures mandated by the RLA Railway Labor Act are completed. Moratorium provisions in the labor agreements govern when the railroads and unions may propose changes to the agreements. We largely bargain nationally in concert with other major railroads, represented by the National Carriers' Conference Committee.

After management and the unions served their formal proposals The latest round of national bargaining concluded in November 2019 for changes to the collective bargaining agreements, negotiations began in 2020 following the expiration of the last moratorium. On June 17, 2022, the National Mediation Board notified the parties that all practical methods of ending the dispute had been exhausted without effecting a settlement and that its mediation services had been terminated. Shortly thereafter, President Biden created Presidential Emergency Board (PEB) No. 250, effective July 18, 2022, to investigate the facts of the dispute and make recommendations. The PEB issued its recommendations on August 16, 2022, and the parties engaged in further negotiations. By December 2022, when agreements based on the PEB's recommendations had were either been ratified or enacted through legislative action for all twelve of our unions.

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While With the parties are engaged in additional discussions to conclude the implementation conclusion of the recently finalized agreements, national bargaining, neither party can compel mandatory bargaining around any new proposals until November 1, 2024. That said,

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In addition, we understand the imperative to continue improving quality of life for our craft employees and are remain actively engaged with our unions in voluntary local discussions (which (none of which carry no the risk of a work stoppage) with all of our unions on this important issue.

Market Risks

We manage overall exposure to fluctuations in interest rates by issuing both fixed- and floating- rate debt instruments. At December 31, 2022 December 31, 2023, we have no outstanding debt subject to interest rate fluctuations totaled \$100 million. A one-percentage point increase in interest rates would increase total annual interest expense related to all variable debt by approximately \$1 million. fluctuations. Market risk for fixed-rate debt is estimated as the potential increase in fair value resulting from a one-percentage point decrease in interest rates as of December 31, 2022 December 31, 2023 and amounts to an increase of approximately \$1.3 billion \$1.7 billion to the fair value of our debt at December 31, 2022 December 31, 2023. We consider it unlikely that interest rate fluctuations applicable to these instruments will result in a material adverse effect on our financial position, results of operations, or liquidity.

New Accounting Pronouncements

For a detailed discussion of new accounting pronouncements, see Note 1.

Inflation

In preparing financial statements, GAAP requires the use of historical cost that disregards the effects of inflation on the replacement cost of property. As a capital-intensive company, we have most of our capital invested in long-lived assets. The replacement cost of these assets, as well as the related depreciation expense, would be substantially greater than the amounts reported on the basis of historical cost.

FORWARD-LOOKING STATEMENTS

Certain statements in Management's Discussion and Analysis of Financial Condition and Results of Operations are "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, as amended. These statements relate to future events or our future financial performance and involve known and unknown risks, uncertainties, and other factors that may cause our actual results, levels of activity, performance, or our achievements or those of our industry to be materially different from those expressed or implied by any forward-looking statements. In some cases, forward-looking statements can be identified by terminology such as "may," "will," "could," "would," "should," "expect," "plan," "anticipate," "intend," "believe," "estimate," "project," "consider," "predict," "potential," "feel," or other comparable terminology. We have based these forward-looking statements on our current expectations, assumptions, estimates, beliefs, and projections. While we believe these expectations, assumptions, estimates, beliefs, and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which involve factors or circumstances that are beyond our control. These and other important factors, including those discussed in Item 1A "Risk Factors," may cause actual results, performance, or

achievements to differ materially from those expressed or implied by these forward-looking statements. The forward-looking statements herein are made only as of the date they were first issued, and unless otherwise required by applicable securities laws, we disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

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Additional Information

Investors and others should note that we routinely use the Investor Relations, Performance Metrics and Sustainability sections of our website (www.nscorp.com/content/nscorp/en/investor-relations.html, <http://www.nscorp.com/content/nscorp/en/investor-relations/performance-metrics.html>, norfolksouthern.investorroom.com/key-investor-information, norfolksouthern.investorroom.com/weekly-performance-reports & www.nscorp.com/content/nscorp/en/about-ns/sustainability.html www.norfolksouthern.com/sustainability) to post presentations to investors and other important information, including information that may be deemed material to investors. Information about us, including information that may be deemed material, may also be announced by posts on our social media channels, including [Twitter X \(formerly known as Twitter\)](http://www.twitter.com/nscorp) (www.twitter.com/nscorp) and [LinkedIn](http://www.linkedin.com/company/norfolk-southern) (www.linkedin.com/company/norfolk-southern). We may also use our website and social media channels for the purpose of complying with our disclosure obligations under Regulation FD. As a result, we encourage investors, the media, and others interested in Norfolk Southern to review the information posted on our website and social media channels. The information posted on our website and social media channels is not incorporated by reference in this Annual Report on Form 10-K.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

The information required by this item is included in Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" under the heading "Market Risks."

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Item 8. Financial Statements and Supplementary Data

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Report of Management

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To the Stockholders
Norfolk Southern Corporation:

Management is responsible for establishing and maintaining adequate internal control over financial reporting. In order to ensure that Norfolk Southern's internal control over financial reporting is effective, management regularly assesses such controls and did so most recently as of [December 31, 2022 December 31, 2023](#). This assessment was based on criteria for effective internal control over financial reporting described in *Internal Control – Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management has concluded that we maintained effective internal control over financial reporting as of [December 31, 2022 December 31, 2023](#).

KPMG LLP, independent registered public accounting firm, has audited our financial statements and issued an [attestation report](#) [opinion](#) on our internal control over financial reporting as of [December 31, 2022 December 31, 2023](#).

/s/ Alan H. Shaw
Alan H. Shaw
President and
Chief Executive Officer

/s/ Mark R. George
Mark R. George
Executive Vice President
and Chief Financial Officer

/s/ Claiborne L. Moore
Claiborne L. Moore
Vice President and
Controller

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Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Norfolk Southern Corporation:

Opinion *Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting*

We have audited the accompanying consolidated balance sheets of Norfolk Southern Corporation and **subsidiaries** (the Company) as of December 31, 2023 and 2022, the related consolidated statements of income, comprehensive income, cash flows, and changes in stockholders' equity for each of the years in the three-year period ended December 31, 2023, and the related notes and financial statement schedule of valuation and qualifying accounts as listed in Item 15(A)2 (collectively, the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022 December 31, 2023, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB). In our opinion, the consolidated **balance sheets** financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022 December 31, 2023 and 2021, 2022, and the related consolidated statements results of income, comprehensive income, its operations and its cash flows and changes in stockholders' equity for each of the years in the three-year period ended December 31, 2022 December 31, 2023, and in conformity with U.S. generally accepted accounting principles. Also in our opinion, the related notes and Company maintained, in all material respects, effective internal control over financial statement schedule reporting as of valuation and qualifying accounts as listed December 31, 2023 based on criteria established in Item 15(A)2 (collectively, *Internal Control – Integrated Framework (2013)* issued by the consolidated financial statements), and our report dated February 3, 2023 expressed an unqualified opinion on those consolidated financial statements. Committee of Sponsoring Organizations of the Treadway Commission.

Basis for Opinion *Opinions*

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our **audit** audits. We are a public accounting firm registered with the **PCAOB** Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our **audit** audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the **audit** audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our **audit** audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our **audit** provides audits provide a reasonable basis for our **opinion**, opinions.

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Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

*/s/ KPMG LLP
KPMG LLP*

Atlanta, Georgia
February 3, 2023

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Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors

Norfolk Southern Corporation:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Norfolk Southern Corporation and subsidiaries (the Company) as of December 31, 2022 and 2021, the related consolidated statements of income, comprehensive income, cash flows, and changes in stockholders' equity for each of the years in the three-year period ended December 31, 2022, and the related notes and financial statement schedule of valuation and qualifying accounts as listed in Item 15(A)2 (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2022, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control – Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 3, 2023 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

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Critical Audit Matter Matters

The critical audit matter matters communicated below is a matter are matters arising from the current period audit of the consolidated financial statements that was were communicated or required to be communicated to the audit committee and that: (1) relates relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter matters below, providing a separate opinion opinions on the critical audit matter matters or on the accounts or disclosures to which it relates. they relate.

Sufficiency of audit evidence related to the capitalization of property expenditures

As discussed in Note 1 to the consolidated financial statements, expenditures that extend an asset's useful life or increase its utility are capitalized. The Company has recorded \$32,156 million \$33,326 million in net book value of properties at December 31, 2022 December 31, 2023 and has recorded \$1,948 million \$2,349 million in property additions for the year ended December 31, 2022 December 31, 2023. Expenditures capitalized include those that are directly related to a capital project and may include materials, labor and other direct costs, in addition to an allocable portion of indirect costs that relate to a capital project. A significant portion of the Company's annual capital spending relates to self-constructed assets. Costs related to repair and maintenance activities, that in the Company's judgment, do not extend an asset's useful life or increase its utility are expensed when such repairs are performed.

We identified the evaluation of the sufficiency of audit evidence related to capitalization of property expenditures as a critical audit matter. Subjective auditor judgment was required in determining procedures and evaluating audit results related to the capitalization of purchased services and compensation due to their usage for both self-constructed assets and repairs and maintenance.

The following are the primary procedures we performed to address this the critical audit matter. We applied auditor judgment to determine the nature and extent of procedures to be performed over capitalized property expenditures. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's process to capitalize property expenditures, including controls over the determination of whether purchased services and compensation expenditures extend an asset's useful life or increase its utility. For a sample of property addition additions expenditures, we inquired and inspected support to evaluate that the expenditure extended an asset's useful life or increased its utility. We evaluated the sufficiency of audit evidence obtained by assessing the results of the procedures performed, including the appropriateness of the nature of such evidence.

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Eastern Ohio Incident

As discussed in Note 17 to the consolidated financial statements, the Company has recognized \$464 million of liabilities attributable to the Eastern Ohio Incident (the Incident) as of December 31, 2023. For the year-ended December 31, 2023, the Company has recognized \$1,116 million of expenses for costs directly attributable to the Incident, which is presented net of \$101 million in insurance recoveries in the Consolidated Statements of Income. As of December 31, 2023, the Company recognized probable and reasonably estimable liabilities for environmental matters and legal proceedings and claims (non-environmental). The Company also disclosed certain legal proceedings and claims (non-environmental) where a loss is reasonably possible, but not probable, or is probable but not reasonably estimable, for which no accrual was established. In addition, as a result of the Incident, the Company disclosed that it is subject to inquiries and investigations by various government authorities and regulatory agencies.

We identified the evaluation of the recognition and measurement of liabilities for environmental matters, legal proceedings and claims (non-environmental) and inquiries and investigations arising from the Incident and the sufficiency of the related disclosures as a critical audit matter. A high degree of subjective auditor judgment was required to evaluate certain judgments and assumptions made by management when assessing the likelihood and magnitude of losses incurred and determining whether reasonable estimates of losses can be made. Specifically, the key judgments and assumptions related to the following:

- the nature and extent of future cleanup and removal activities and the extent and duration of governmental oversight
- the final outcome of the legal proceedings and claims (non-environmental)
- the final outcome of any current or future inquiries and investigations arising from the Incident.

The following are the primary procedures that we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's processes to 1) recognize and measure liabilities associated with environmental matters, legal proceedings and claims (non-environmental), and inquiries and investigations and 2) prepare the related financial statement disclosures. We evaluated the Company's assessment of the likelihood and magnitude of losses being incurred including whether the estimates of losses are reasonably estimable for liabilities associated with the Incident by:

- assessing the estimates of environmental cleanup and remediation liabilities by comparing them to incurred costs
- inquiring of management regarding the expected timeline for both probable and reasonably estimable costs for soil and water disposal and air monitoring activities as well as related governmental oversight
- obtaining a legal confirmation letter from external legal counsel, and inquiring of the Company's internal and external legal counsel regarding the likelihood and magnitude of losses related to environmental matters, legal proceedings and claims (non-environmental) and inquiries and investigations
- obtaining and inspecting correspondence with government authorities and regulatory agencies for environmental matters, legal proceedings and claims (non-environmental) and inquiries and investigations.

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We evaluated whether the Company's disclosures were appropriate and consistent with the information obtained in our procedures.

/s/ KPMG LLP
KPMG LLP

We have served as the Company's auditor since 1982.

Atlanta, Georgia

February 3, 2023

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Norfolk Southern Corporation and Subsidiaries
Consolidated Statements of Income

	Years ended December 31,			2023	Years ended December 31,		2021	
					2022	2022		
	(\$ in millions, except per share amounts)				(\$ in millions, except per share amounts)	(\$ in millions, except per share amounts)		
Railway operating revenues	Railway operating revenues	2022	2021	2020	\$12,745	\$11,142	\$9,789	
Railway operating revenues								
Railway operating expenses	Railway operating expenses							
Railway operating expenses								
Railway operating expenses	Railway operating expenses							
Compensation and benefits	Compensation and benefits	2,621	2,442	2,373				
Purchased services and rents	Purchased services and rents	1,922	1,726	1,687				
Fuel	Fuel	1,459	799	535				
Depreciation	Depreciation	1,221	1,181	1,154				

Materials and other	Materials and other	713	547	653
Loss on asset disposal		—	—	385
Eastern Ohio incident				
Total railway operating expenses				
Total railway operating expenses				
Total railway operating expenses	Total railway operating expenses	7,936	6,695	6,787
Income from railway operations	Income from railway operations	4,809	4,447	3,002
Income from railway operations				
Income from railway operations				
Other income – net				
Other income – net				
Other income – net	Other income – net	13	77	153
Interest expense on debt	Interest expense on debt	692	646	625
Income before income taxes	Income before income taxes	4,130	3,878	2,530
Income before income taxes				
Income before income taxes				
Income taxes				
Income taxes	Income taxes	860	873	517
Net income	Net income	\$ 3,270	\$ 3,005	\$ 2,013
Net income				
Net income				
Earnings per share				
Earnings per share	Earnings per share			
Basic	Basic	\$ 13.92	\$ 12.16	\$ 7.88
Diluted	Diluted	13.88	12.11	7.84

See accompanying notes to consolidated financial statements.

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Norfolk Southern Corporation and Subsidiaries

Consolidated Statements of Comprehensive Income

	Years ended December 31,		
	2022	2021	2020
	(\$ in millions)		
Net income	\$ 3,270	\$ 3,005	\$ 2,013
Other comprehensive income (loss), before tax:			
Pension and other postretirement benefits	51	226	(140)
Other comprehensive income of equity investees	17	24	2
	<hr/>	<hr/>	<hr/>
Other comprehensive income (loss), before tax	68	250	(138)
Income tax benefit (expense) related to items of other comprehensive income (loss)	(17)	(58)	35
	<hr/>	<hr/>	<hr/>
Other comprehensive income (loss), net of tax	51	192	(103)
	<hr/>	<hr/>	<hr/>
Total comprehensive income	\$ 3,321	<b">\$ 3,197</b">	<b">\$ 1,910</b">

	Years ended December 31,		
	2023	2022	2021
	(\$ in millions)		
Net income	\$ 1,827	\$ 3,270	\$ 3,005
Other comprehensive income, before tax:			
Pension and other postretirement benefits	36	51	226
Other comprehensive income of equity investees	4	17	24
	<hr/>	<hr/>	<hr/>
Other comprehensive income, before tax	40	68	250
Income tax expense related to items of other comprehensive income	(9)	(17)	(58)
	<hr/>	<hr/>	<hr/>
Other comprehensive income, net of tax	31	51	192
	<hr/>	<hr/>	<hr/>
Total comprehensive income	\$ 1,858	<b">\$ 3,321</b">	<b">\$ 3,197</b">

See accompanying notes to consolidated financial statements.

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Norfolk Southern Corporation and Subsidiaries
Consolidated Balance Sheets

	At December 31,			
	2022	2021	At December 31,	
	(\$ in millions)		2023	2022
Assets	Assets		Assets	
Current assets:	Current assets:		Current assets:	
Cash and cash equivalents	Cash and cash equivalents	\$ 456	\$ 839	<hr/>

Accounts receivable – net	Accounts receivable – net	1,148	976
Accounts receivable – net			
Accounts receivable – net			
Materials and supplies	Materials and supplies	253	218
Other current assets	Other current assets	150	134
Total current assets	Total current assets	2,007	2,167
Investments	Investments	3,694	3,707
Properties less accumulated depreciation of \$12,592 and \$12,031, respectively			
		32,156	31,653
Investments			
Investments			
Properties less accumulated depreciation of \$13,265 and \$12,592, respectively			
Other assets	Other assets	1,028	966
Total assets	Total assets	\$38,885	\$38,493
Total assets			
Total assets			
Liabilities and stockholders' equity			
Liabilities and stockholders' equity			
Liabilities and stockholders' equity	Liabilities and stockholders' equity		
Current liabilities:	Current liabilities:		Current liabilities:
Accounts payable	Accounts payable	\$ 1,293	\$ 1,351
Short-term debt	Short-term debt	100	—
Income and other taxes	Income and other taxes	312	305
Other current liabilities	Other current liabilities	341	312
Current maturities of long-term debt	Current maturities of long-term debt	603	553
Total current liabilities	Total current liabilities	2,649	2,521
Long-term debt	Long-term debt	14,479	13,287
Long-term debt			
Long-term debt			
Other liabilities	Other liabilities	1,759	1,879
Deferred income taxes	Deferred income taxes	7,265	7,165
Total liabilities	Total liabilities	26,152	24,852
Total liabilities			
Total liabilities			

Stockholders' equity:	Stockholders' equity:			
Stockholders' equity:				
Common Stock \$1.00 per share par value, 1,350,000,000 shares	Common Stock \$1.00 per share par value, 1,350,000,000 shares			Common Stock \$1.00 per share par value, 1,350,000,000 shares
authorized; outstanding 228,076,415 and 240,162,790 shares,				
authorized; outstanding 225,681,254 and 228,076,415 shares,				authorized; outstanding 225,681,254 and 228,076,415 shares,
respectively, net of treasury shares	respectively, net of treasury shares	230	242	
Additional paid-in capital	Additional paid-in capital	2,157	2,215	
Accumulated other comprehensive loss	Accumulated other comprehensive loss	(351)	(402)	
Retained income	Retained income	10,697	11,586	
Total stockholders' equity	Total stockholders' equity	12,733	13,641	
Total stockholders' equity				
Total stockholders' equity				
Total liabilities and stockholders' equity	Total liabilities and stockholders' equity	\$38,885	\$38,493	
Total liabilities and stockholders' equity				
Total liabilities and stockholders' equity				

See accompanying notes to consolidated financial statements.

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Norfolk Southern Corporation and Subsidiaries Consolidated Statements of Cash Flows				
Years ended December 31,			Years ended December 31,	
	2022	2021	2020	2023
				(\$ in millions)

Cash flows from operating activities		Cash flows from operating activities			Cash flows from operating activities		
Net income	Net income	\$3,270	\$3,005	\$2,013			
Reconciliation of net income to net cash provided by operating activities:	Reconciliation of net income to net cash provided by operating activities:				Reconciliation of net income to net cash provided by operating activities:		
Depreciation	Depreciation	1,221	1,181	1,154			
Deferred income taxes	Deferred income taxes	83	184	142			
Gains and losses on properties	Gains and losses on properties	(82)	(86)	(39)			
Loss on asset disposal		—	—	385			
Impairment of investment		—	—	99			
Changes in assets and liabilities affecting operations:							
Changes in assets and liabilities affecting operations:							
Changes in assets and liabilities affecting operations:	Changes in assets and liabilities affecting operations:						
Accounts receivable	Accounts receivable	(171)	(133)	71			
Materials and supplies	Materials and supplies	(35)	3	23			
Other current assets	Other current assets	(18)	(6)	3			
Current liabilities other than debt	Current liabilities other than debt	23	283	34			
Other – net	Other – net	(69)	(176)	(248)			
Net cash provided by operating activities	Net cash provided by operating activities	4,222	4,255	3,637			
Net cash provided by operating activities							
Net cash provided by operating activities							
Cash flows from investing activities							
Cash flows from investing activities							
Cash flows from investing activities	Cash flows from investing activities						
Property additions	Property additions	(1,948)	(1,470)	(1,494)			

Property sales and other transactions	Property sales and other transactions	263	159	333
Investment purchases	Investment purchases	(12)	(10)	(13)
Investment sales and other transactions	Investment sales and other transactions	94	99	(1)
Net cash used in investing activities	Net cash used in investing activities	(1,603)	(1,222)	(1,175)

Net cash used in investing activities

Net cash used in investing activities

Cash flows from financing activities

Cash flows from financing activities

Cash flows from financing activities	Cash flows from financing activities			
Dividends	Dividends	(1,167)	(1,028)	(960)
Common Stock transactions	Common Stock transactions	(4)	17	69
Purchase and retirement of Common Stock	Purchase and retirement of Common Stock	(3,110)	(3,390)	(1,439)
Proceeds from borrowings	Proceeds from borrowings	1,832	1,676	784
Debt repayments	Debt repayments	(553)	(584)	(381)
Net cash used in financing activities		(3,002)	(3,309)	(1,927)

Net cash provided by (used in) financing activities

Net cash provided by (used in) financing activities

Net cash provided by (used in) financing activities

Net increase (decrease) in cash and cash equivalents	Net increase (decrease) in cash and cash equivalents			
(383)	(276)	535		
Net increase (decrease) in cash and cash equivalents	Net increase (decrease) in cash and cash equivalents			

Net increase (decrease) in cash and cash equivalents

Net increase (decrease) in cash and cash equivalents

Cash and cash equivalents

Cash and cash equivalents

Cash and cash equivalents	Cash and cash equivalents			
At beginning of year	At beginning of year	839	1,115	580

At end of year At end of year \$ 456 \$ 839 \$1,115

At end of year

At end of year

Supplemental disclosures of cash flow information

Supplemental disclosures of cash flow information

Supplemental disclosures of cash flow information

Cash paid during the year for:

Interest (net of amounts capitalized)	Interest (net of amounts capitalized)	\$ 619	\$ 579	\$ 577
Income taxes (net of refunds)	Income taxes (net of refunds)	750	654	311

Cash paid during the year for:

See accompanying notes to consolidated financial statements.

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**Norfolk Southern Corporation and Subsidiaries
Consolidated Statements of Changes in Stockholders' Equity**

	Common Stock	Additional Paid-in Capital	Accum. Comprehensive Loss	Other Retained Income	Total
(\$ in millions, except per share amounts)					
Balance at December 31, 2019	\$ 259	\$ 2,209	\$ (491)	\$ 13,207	\$15,184
Comprehensive income:					
Net income			2,013	2,013	
Other comprehensive loss			(103)		(103)
Total comprehensive income					1,910
Dividends on Common Stock, \$3.76 per share			(960)	(960)	
Share repurchases	(7)	(59)	(1,373)	(1,439)	
Stock-based compensation	2	98	(4)	96	

Common Stock	Additional Paid-in Capital	Accum. Comprehensive Loss	Other Retained Income	Total
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Balance at December 31, 2020	Balance at December 31, 2020	254	2,248	(594)	12,883	14,791
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Balance at December 31, 2020

Balance at December 31, 2020

Comprehensive income:

Comprehensive income:						
Comprehensive income:	Comprehensive income:					
Net income	Net income		3,005	3,005		
Other comprehensive income	Other comprehensive income		192	192		
Total comprehensive income	Total comprehensive income		3,197			
Dividends on Common Stock, \$4.16 per share	Dividends on Common Stock, \$4.16 per share		(1,028)	(1,028)	Dividends on Common Stock,	
Share repurchases	Share repurchases	(13)	(106)	(3,271)	(3,390)	
Stock-based compensation	Stock-based compensation	1	73	(3)	71	
Balance at December 31, 2021	Balance at December 31, 2021	242	2,215	(402)	11,586	13,641
Balance at December 31, 2021						
Balance at December 31, 2021						
Comprehensive income:						
Comprehensive income:	Comprehensive income:					
Net income	Net income		3,270	3,270		
Other comprehensive income	Other comprehensive income		51	51		
Total comprehensive income	Total comprehensive income		3,321		Dividends on Common Stock,	
Dividends on Common Stock, \$4.96 per share	Dividends on Common Stock, \$4.96 per share		(1,167)	(1,167)		
Share repurchases	Share repurchases	(13)	(108)	(2,989)	(3,110)	
Stock-based compensation	Stock-based compensation	1	50	(3)	48	
Balance at December 31, 2022	Balance at December 31, 2022	\$ 230	\$ 2,157	\$ (351)	\$ 10,697	\$ 12,733
Balance at December 31, 2022						
Balance at December 31, 2022						
Comprehensive income:						
Comprehensive income:	Comprehensive income:					
Comprehensive income:	Net income					

Other comprehensive income	
Total comprehensive income	
Dividends on Common Stock, \$5.40 per share	Dividends on Common Stock,
Share repurchases	
Stock-based compensation	
Balance at December 31, 2023	
Balance at December 31, 2023	
Balance at December 31, 2023	

See accompanying notes to consolidated financial statements.

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Norfolk Southern Corporation and Subsidiaries Notes to Consolidated Financial Statements

The following Notes are an integral part of the Consolidated Financial Statements. Certain prior year information has been reclassified to conform to current year presentation.

1. Summary of Significant Accounting Policies

Description of Business

Norfolk Southern Corporation is a Georgia-based holding company engaged principally in the rail transportation business, operating 19,100 route miles primarily in the Southeast, East, and Midwest. These consolidated financial statements include Norfolk Southern and its majority-owned and controlled subsidiaries (collectively, NS, we, us, and our). Norfolk Southern's major subsidiary is NSR. All significant intercompany balances and transactions have been eliminated in consolidation.

NSR and its railroad subsidiaries transport raw materials, intermediate products, and finished goods classified in the following commodity groups (percent of total railway operating revenues in 2022/2023): intermodal (29% (25%)); agriculture, forest and consumer products (19% (21%)); chemicals (17%); coal (14%); metals and construction (13% (14%)); and automotive (8% (9%)). Although most of our customers are domestic, ultimate points of origination or destination for some of the products transported (particularly coal bound for export and some intermodal shipments) may be outside the U.S. Approximately 80% of our railroad employees are covered by collective bargaining agreements with various labor unions.

Use of Estimates

The preparation of financial statements in accordance with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. We periodically review our estimates, including those related to the recoverability and useful lives of assets, as well as liabilities for litigation, environmental remediation, casualty claims, income taxes and pension and other postretirement benefits. Changes in facts and circumstances may result in revised estimates.

Revenue Recognition

Transportation revenues are recognized proportionally as a shipment moves from origin to destination, and related expenses are recognized as incurred. Certain of our contract refunds (which are primarily volume-based incentives) are recorded as a reduction to revenues on the basis of our best estimate of projected liability, which is based on historical activity, current shipment counts and expectation of future activity. Certain ancillary services, such as switching, demurrage and other

incidental activities, may be provided to customers under their transportation contracts. The revenues associated with these distinct performance obligations are recognized when the services are performed or as contractual obligations are met.

Cash Equivalents

"Cash equivalents" are highly liquid investments purchased three months or less from maturity.

Allowance for Doubtful Accounts

Our allowance for doubtful accounts was **\$7 million** and **\$9 million** at December 31, 2023 and **\$8 million** at December 31, 2022 and **2021, 2022**, respectively. To determine our allowance for doubtful accounts, we evaluate historical loss experience (which has not been significant), the characteristics of current accounts, and general economic conditions and trends.

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Materials and Supplies

"Materials and supplies," consisting mainly of items for maintenance of property and equipment, are stated at the lower of average cost or net realizable value. The cost of materials and supplies expected to be used in property additions or improvements is included in "Properties."

Investments

Investments in entities over which we have the ability to exercise significant influence but do not control the entity are accounted for using the equity method, whereby the investment is carried at the cost of the acquisition plus our equity in undistributed earnings or losses since acquisition.

Properties

"Properties" are stated principally at cost and are depreciated using the group method whereby assets with similar characteristics, use, and expected lives are grouped together in asset classes and depreciated using a composite depreciation rate. This methodology treats each asset class as a pool of resources, not as singular items. We use approximately 75 depreciable asset classes.

Depreciation expense is based on our assumptions concerning expected service lives of our properties as well as the expected net salvage that will be received upon their retirement. In developing these assumptions, we utilize periodic depreciation studies that are performed by an independent outside firm of consulting engineers and approved by the STB. Our depreciation studies are conducted about every three years for equipment and every six years for track assets and other roadway property. The frequency of these studies is consistent with guidelines established by the STB. We adjust our rates based on the results of these studies and implement the changes prospectively. The studies may also indicate that the recorded amount of accumulated depreciation is deficient (or in excess) of the amount indicated by the study. Any such deficiency (or excess) is amortized as a component of depreciation expense over the remaining service lives of the affected class of property, as determined by the study.

Key factors that are considered in developing average service life and salvage estimates include:

- statistical analysis of historical retirement data and surviving asset records,
- review of historical salvage received and current market rates,
- review of our operations including expected changes in technology, customer demand, maintenance practices and asset management strategies,
- review of accounting policies and assumptions, and
- industry review and analysis.

The composite depreciation rate for rail in high density corridors is derived based on consideration of annual gross tons as compared to the total or ultimate capacity of rail in these corridors. Our experience has shown that traffic density is a leading factor in the determination of the expected service life of rail in high density corridors. In developing the respective depreciation rate, consideration is also given to several rail characteristics including age, weight, condition (new or second-hand) and type (curved or straight).

We capitalize interest on major projects during the period of their construction. Expenditures, including those on leased assets, that extend an asset's useful life or increase its utility are capitalized. Expenditures capitalized include those that are directly related to a capital project and may include materials, labor, and other direct costs, in addition to an allocable portion of indirect costs that relate to a capital project. A significant portion of our annual capital spending relates to self-constructed assets. Removal activities occur in conjunction with replacement and are estimated based on the average percentage of time employees replacing

assets spend on removal functions. Costs related to repairs and maintenance activities that, in our judgment, do not extend an asset's useful life or increase its utility are expensed when such repairs are performed.

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When depreciable operating road and equipment assets are sold or retired in the ordinary course of business, the cost of the assets, net of sales proceeds or salvage, is charged to accumulated depreciation, and no gain or loss is recognized in earnings. Actual historical cost values are retired when available, such as with most equipment assets. The use of estimates in recording the retirement of certain roadway assets is necessary based on the impracticality of tracking individual asset costs. When retiring rail, ties and ballast, we use statistical curves that indicate the relative distribution of the age of the assets retired. The historical cost of other roadway assets is estimated using a combination of inflation indices specific to the rail industry and those published by the U.S. Bureau of Labor Statistics. The indices are applied to the replacement value based on the age of the retired assets. These indices are used because they closely correlate with the costs of roadway assets. Gains and losses on disposal of operating land are included in "Materials and other" expenses. Gains and losses on disposal of non-operating land and non-rail assets are included in "Other income – net" since such income is not a product of our railroad operations.

A retirement is considered abnormal if it does not occur in the ordinary course of business, if it relates to disposition of a large segment of an asset class and if the retirement varies significantly from the retirement profile identified through our depreciation studies, which inherently consider the impact of normal retirements on expected service lives and depreciation rates. Gains or losses from abnormal retirements are recognized in income from railway operations.

We review the carrying amount of properties whenever events or changes in circumstances indicate that such carrying amount may not be recoverable based on future undiscounted cash flows. Assets that are deemed impaired as a result of such review are recorded at the lower of carrying amount or fair value.

New Accounting Pronouncements

In December 2019, November 2021, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2019-12, "Simplifying the Accounting for Income Taxes," which added new guidance to simplify the accounting for income taxes, changed the accounting for certain income tax transactions, and made other minor changes. We adopted the standard on January 1, 2021 and there was no material impact to the financial statements upon adoption.

In November 2021, the FASB issued ASU 2021-10, "Government Assistance (Topic 832): Disclosures by Business Entities about Government Assistance," which requires annual disclosures when an entity has received government assistance. Entities are required to disclose the types of government assistance received, the accounting treatment for that government assistance, and the effect of the government assistance on the financial statements. We adopted the new standard on January 1, 2022 and there was no material impact to the financial statements upon adoption.

In November 2023, the FASB issued ASU 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures." This update requires additional reportable segment disclosures, primarily through enhanced disclosures about significant segment expenses and information used to assess performance. The ASU is effective for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024. We will not early adopt the standard and are currently evaluating the effect on our financial statements.

In December 2023, the FASB issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." This update requires additional disclosures including greater disaggregation of information in the reconciliation of the statutory rate to the effective rate and income taxes paid disaggregated by jurisdiction. The ASU is effective for fiscal years ending after December 15, 2024. We will not early adopt the standard and are currently evaluating the effect on our financial statements.

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2. Railway Operating Revenues

The following table disaggregates our revenues by major commodity group:

2022	2021	2020	
(\$ in millions)			
2023	2023	2022	2021
			(\$ in millions)

Merchandise:		Merchandise:			
Agriculture, forest and consumer products					
Agriculture, forest and consumer products					
Agriculture, forest and consumer products	Agriculture, forest and consumer products	\$ 2,493	\$ 2,251	\$ 2,116	
Chemicals	Chemicals	2,148	1,951	1,809	
Metals and construction	Metals and construction	1,652	1,562	1,333	
Automotive	Automotive	1,038	905	830	
Merchandise	Merchandise	7,331	6,669	6,088	
Intermodal	Intermodal	3,681	3,163	2,654	
Coal	Coal	1,733	1,310	1,047	
Total	Total	\$ 12,745	\$ 11,142	\$ 9,789	
Total					
Total					

We recognize the amount of revenues to which we expect to be entitled for the transfer of promised goods or services to customers. A performance obligation is created when a customer under a transportation contract or public tariff submits a bill of lading to us for the transport of goods. These performance obligations are satisfied as the shipments move from origin to destination. As such, transportation revenues are recognized proportionally as a shipment moves, and related expenses are recognized as incurred. These performance obligations are generally short-term in nature with transit days averaging approximately one week or less for each commodity group. The customer has an unconditional obligation to pay for the service once the service has been completed. Estimated revenues associated with in-process shipments at period-end are recorded based on the estimated percentage of service completed. We had no material remaining performance obligations at December 31, 2022 December 31, 2023 and 2021 2022.

We may provide customers ancillary services, such as switching, demurrage and other incidental activities, under their transportation contracts. The revenues associated with these distinct performance obligations are recognized when the services are performed or as contractual obligations are met. These revenues are included within each of the commodity groups and represent approximately 7% 5%, 7% and 5% 7%, respectively, of total "Railway operating revenues" on the Consolidated Statements of Income for the years ended December 31, 2022 December 31, 2023, 2021, 2022, and 2020, 2021.

Revenues related to interline transportation services that involve another railroad are reported on a net basis. Therefore, the portion of the amount that relates to another party is not reflected in revenues.

Under the typical terms of our freight contracts, payment for services is due within fifteen days of billing the customer, thus there are no significant financing components. "Accounts receivable – net" on the Consolidated Balance Sheets includes both customer and non-customer receivables as follows:

		December 31,		December 31,	
		2023		2022	
		(\$ in millions)		(\$ in millions)	
		December 31,		December 31,	
		2022	2021	2022	2021
		(\$ in millions)		(\$ in millions)	
Customer	Customer				
Customer	Customer	\$ 895	\$ 741		
Non-customer	Non-customer	253	235		
Accounts receivable	Accounts receivable				
– net	– net	\$ 1,148	\$ 976		
Accounts receivable	– net				

Accounts receivable
– net

Non-customer receivables include non-revenue-related amounts due from other railroads, governmental entities, and others. There were no non-current customer receivables at December 31, 2022, while "Other assets" on the

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Consolidated Balance Sheets included \$23 million at December 31, 2021. We do not have any material contract assets or liabilities at December 31, 2022 December 31, 2023 and 2021, 2022.

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3. Other Income – Net

	2022	2021	2020	2023	2022	2021
	(\$ in millions)			(\$ in millions)		
Pension and other postretirement benefits (Note 12)	Pension and other postretirement benefits (Note 12)	\$126	\$102	\$ 91		
COLI – net	COLI – net	(77)	17	85		
Other	Other	(36)	(42)	(23)		
Total	Total	\$ 13	\$ 77	\$153		
Total						
Total						

4. Income Taxes

	2022	2021	2020	2023	2022	2021
	(\$ in millions)			(\$ in millions)		
Current:	Current:			Current:		
Federal	Federal	\$645	\$553	\$307		
State	State	132	136	68		
Total current taxes	Total current taxes	777	689	375		
Deferred:	Deferred:					
Deferred:						
Deferred:						
Federal	Federal	206	186	111		
State	State	(123)	(2)	31		
Total deferred taxes	Total deferred taxes	83	184	142		

Income taxes	Income taxes	\$860	\$873	\$517
Income taxes	Income taxes			
Income taxes	Income taxes			

Reconciliation of Statutory Rate to Effective Rate

"Income taxes" on the Consolidated Statements of Income differs from the amounts computed by applying the statutory federal corporate tax rate as follows:

	2022			2021			2020			2023			2022			2021		
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
(\$ in millions)																		
Federal income tax at statutory rate	Federal income tax at statutory rate	\$ 867	21.0	\$ 814	21.0	\$ 531	21.0											
Federal income tax at statutory rate	Federal income tax at statutory rate																	
State income taxes, net of federal tax effect	State income taxes, net of federal tax effect	146	3.5	143	3.6	85	3.3											
Tax credits	Tax credits																	
State law changes	State law changes	(136)	(3.3)	(34)	(0.8)	—	—											
Excess tax benefits on stock-based compensation	Excess tax benefits on stock-based compensation	(18)	(0.4)	(25)	(0.6)	(39)	(1.5)											
Other, net	Other, net	1	—	(25)	(0.7)	(60)	(2.4)											
Income taxes	Income taxes	\$ 860	20.8	\$ 873	22.5	\$ 517	20.4											
Income taxes	Income taxes																	
Income taxes	Income taxes																	

On July 8, 2022, House Bill 1342 was signed into law in the Commonwealth of Pennsylvania, which reduced its corporate income tax rate from 9.99% to 4.99%, through a series of phased reductions beginning each tax year from

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January 1, 2023 January 1, 2023 through January 1, 2031. GAAP requires companies to recognize the effect of tax law changes in the period of enactment. As a result, in 2022, we recognized a \$136 million benefit in "Income taxes" with a corresponding reduction in "Deferred income taxes."

Deferred Tax Assets and Liabilities

Certain items are reported in different periods for financial reporting and income tax purposes. Deferred tax assets and liabilities are recorded in recognition of these differences. The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows:

	December 31,		December 31,		
	2022 2021		2023		
	(\$ in millions)				
Deferred tax assets:			Deferred tax assets:		
Accruals, including casualty and other claims	Accruals, including casualty and other claims	\$ 110	\$ 92		
Compensation and benefits, including postretirement benefits	Compensation and benefits, including postretirement benefits	99	181		
Other	Other	164	188		
Total gross deferred tax assets	Total gross deferred tax assets	373	461		
Less valuation allowance	Less valuation allowance	(41)	(60)		
Net deferred tax assets	Net deferred tax assets	332	401		
Deferred tax liabilities:	Deferred tax liabilities:				
Deferred tax liabilities:					
Property	Property	(7,050)	(7,016)		
Other	Other	(547)	(550)		
Total deferred tax liabilities	Total deferred tax liabilities	(7,597)	(7,566)		
Deferred income taxes	Deferred income taxes	<u>\$ (7,265)</u>	<u>\$ (7,165)</u>		
Deferred income taxes					
Deferred income taxes					

Except for amounts for which a valuation allowance has been provided, we believe that it is more likely than not that the results of future operations will generate sufficient taxable income to realize the deferred tax assets. The valuation allowance at the end of each year primarily relates to subsidiary state income tax net operating losses and state investment tax credits that may not be utilized prior to their expiration. The total valuation allowance decreased by ~~\$19 million~~ \$10 million in 2023, decreased by ~~\$19 million~~ in 2022, and increased ~~\$3 million~~ by \$3 million in both 2021 and 2020.

Uncertain Tax Positions

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	December 31, 2022		December 31, 2023	2022
	2022	2021		
	(\$ in millions)		(\$ in millions)	
Balance at beginning of year	Balance at beginning of year	\$ 21	\$ 22	
Balance at beginning of year				
Balance at beginning of year				
Additions based on tax positions related to the current year	Additions based on tax positions related to the current year	3	3	
Additions based on tax positions related to the current year				
Additions based on tax positions related to the current year				
Additions for tax positions of prior years	Additions for tax positions of prior years	1	3	
Reductions for tax positions of prior years				
Settlements with taxing authorities	Settlements with taxing authorities	(2)	(5)	
Lapse of statutes of limitations	Lapse of statutes of limitations	(1)	(2)	
Balance at end of year	Balance at end of year	\$ 22	\$ 21	
Balance at end of year				
Balance at end of year				

Included in the balance of unrecognized tax benefits at **December 31, 2022** **December 31, 2023** are potential benefits of **\$18 million** **\$45 million** that would affect the effective tax rate if recognized. Unrecognized tax benefits are adjusted in the period in which new information about a tax position becomes available or the final outcome differs from the amount recorded.

The statute of limitations on Internal Revenue Service examinations has expired for all years prior to **2019** **2020**. State income tax returns are generally subject to examination for a period of three to four years after the return. In addition, we are generally obligated to report changes in taxable income arising from federal income tax examinations to the states within a period of up to two years from the date the federal examination is final. We have various state income tax returns either under examination, administrative appeal, or litigation.

5. Fair Value Measurements

FASB Accounting Standards Codification (ASC) 820-10, **"Fair Value Measurements,"** established a framework for measuring fair value and a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels, as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that we have the ability to access.

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets,
- quoted prices for identical or similar assets or liabilities in inactive markets,
- inputs other than quoted prices that are observable for the asset or liability, and
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

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Fair Values of Financial Instruments

The fair values of "Cash and cash equivalents," "Accounts receivable – net," "Accounts payable," and "Short-term debt" approximate carrying values because of the short maturity of these financial instruments. The carrying value of COLI is recorded at cash surrender value and, accordingly, approximates fair value. There are no other assets or liabilities measured at fair value on a recurring basis at **December 31, 2022** **December 31, 2023** or **2021**. The carrying amounts and estimated fair values, based on Level 1 inputs, of long-term debt consist of the following at December 31:

	2022		2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
(\$ in millions)				
Long-term debt, including current maturities	\$ (15,082)	\$ (13,846)	\$ (13,840)	\$ (17,033)

	2023		2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
(\$ in millions)				

Long-term debt, including current maturities	\$ (17,179)	\$ (16,631)	\$ (15,082)	\$ (13,846)
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6. Investments

	December 31, 2022 2021		December 31, 2023		2022
	(\$ in millions)		(\$ in millions)		
Long-term investments:	Long-term investments:		Long-term investments:		
Equity method investments:	Equity method investments:		Equity method investments:		
Conrail	Conrail	\$1,584	\$1,526		
TTX Company		918	851		
TTX					
Other	Other	421	420		
Total equity method investments	Total equity method investments	2,923	2,797		
COLI at net cash surrender value	COLI at net cash surrender value	752	885		
COLI at net cash surrender value					
Other investments	Other investments	19	25		
Total long-term investments	Total long-term investments	\$3,694	\$3,707		
	Total long-term investments				
	Total long-term investments				

Investment in Conrail

Through a limited liability company, we and CSX jointly own Conrail, whose primary subsidiary is CRC. We have a 58% economic and 50% voting interest in the jointly-owned entity, and CSX has the remainder of the economic and voting interests. We are amortizing the excess of the purchase price over Conrail's net equity using the principles of purchase accounting, based primarily on the estimated useful lives of Conrail's depreciable property and equipment, including the related deferred tax effect of the differences in book and tax accounting bases for such assets, as all of the purchase price at acquisition was allocable to Conrail's tangible assets and liabilities. At December 31, 2022 December 31, 2023, our investment in Conrail exceeds our share of Conrail's underlying net equity by \$480 million.

CRC owns and operates certain properties (the Shared Assets Areas) for the joint and exclusive benefit of NSR and CSX Transportation, Inc. (CSXT). The costs of operating the Shared Assets Areas are borne by NSR and CSXT based on usage. In addition, NSR and CSXT pay CRC a fee for access to the Shared Assets Areas. "Purchased services and rents" and "Fuel" include expenses payable to CRC for operation of the Shared Assets Areas totaling \$164 million in 2023, \$156 million in 2022, and \$147 million in 2021, and \$129 million in 2020. Future payments for access fees due to CRC under the Shared Assets Areas agreements are as follows: \$42 million \$44 million in each of 2023 2024 through 2027 2028 and \$62 million

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\$17 million thereafter. We provide certain general and administrative support functions to Conrail, the fees for which are billed in accordance with several service-provider arrangements and approximate \$6 million annually.

In 2020, we converted \$254 million of accounts payable into long-term advances from Conrail included in "Other liabilities." "Accounts payable" includes \$198 million at December 31, 2023, and \$173 million at December 31, 2022, and \$112 million at December 31, 2021, due to Conrail for the operation of the Shared Assets Areas. "Other liabilities" includes \$534 million at December 31, 2022 December 31, 2023 and 2021, respectively, for long-term advances from Conrail, maturing in 2050 that bear interest at an average rate of 1.31%.

Our equity in Conrail's earnings, net of amortization, was \$70 million for 2023, \$58 million for 2022, and \$56 million for 2021, and \$58 million for 2020. These amounts partially offset the costs of operating the Shared Assets Areas and are included in "Purchased services and rents." Equity in Conrail's earnings is included in the "Other – net" line item within operating activities in the Consolidated Statements of Cash Flows.

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Investment in TTX

We and ~~seven~~ six other North American railroads collectively own TTX, Company (TTX), a railcar pooling company that provides its owner-railroads with standardized fleets of intermodal, automotive, and general use railcars at stated rates. We have a 19.78% ownership interest in TTX.

Expenses incurred for use of TTX equipment are included in "Purchased services and rents." This amounted to \$256 million \$274 million, \$246 million \$256 million, and \$250 million \$246 million, respectively, for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021. Our equity in TTX's earnings partially offsets these costs and totaled \$47 million for 2023 and \$53 million for both 2022 and 2021, respectively, and \$48 million for 2020, 2021. Equity in TTX's earnings is included in the "Other – net" line item within operating activities in the Consolidated Statements of Cash Flows.

Impairment of investment

In 2020, we recorded an other-than-temporary impairment of \$99 million related to the carrying value of an equity method investment. This non-cash impairment charge is recorded in "Purchased services and rents" on the Consolidated Statements of Income and had a \$74 million impact on net income.

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7. Properties

		Net				Accumulated	Depreciation	Accumulated	Net Book	
		Cost	Accumulated Depreciation	Book Value	Rate (1)					
December 31, 2022	December 31, 2023	Cost	Depreciation	Value	Rate (1)	Cost	Depreciation	Value	Rate (1)	
(\$ in millions)										
Land	Land	\$ 2,405	\$ —	\$ 2,405	—					
Land										
Land						\$ 2,439	\$ —	\$ 2,439		
Roadway:										
Roadway:										
Roadway:	Roadway:									
Rail and other track material	Rail and other track material	7,589	(1,971)	5,618	2.42 %	Rail and other track material	8,011	(2,006)	(2,006)	6,005
Ties	Ties	5,981	(1,696)	4,285	3.49 %	Ties	6,205	(1,773)	(1,773)	4,432
										4,432

Ballast	Ballast	3,126	(873)	2,253	2.84 %	Ballast	3,224	(937)	(937)	2,287	2,287
Construction in process	Construction in process	431	—	431	—	Construction in process	522	—	—	522	522
Other roadway	Other roadway	14,270	(3,948)	10,322	2.69 %	Other roadway	14,663	(4,290)	(4,290)	10,373	10,373
Total roadway	Total roadway	31,397	(8,488)	22,909		Total roadway	32,625	(9,006)	(9,006)	23,619	23,619
Equipment:	Equipment:										
Equipment:	Equipment:										
Locomotives	Locomotives	5,878	(2,060)	3,818	3.66 %	Locomotives	6,091	(2,105)	(2,105)	3,986	3,986
Freight cars	Freight cars	2,701	(1,033)	1,668	2.51 %	Freight cars	2,792	(1,037)	(1,037)	1,755	1,755
Computers and software	Computers and software	926	(476)	450	9.10 %	Computers and software	1,042	(542)	(542)	500	500
Construction in process	Construction in process	206	—	206	—	Construction in process	271	—	—	271	271
Other equipment	Other equipment	1,145	(463)	682	4.51 %	Other equipment	1,241	(501)	(501)	740	740
Total equipment	Total equipment	10,856	(4,032)	6,824		Total equipment	11,437	(4,185)	(4,185)	7,252	7,252
Other property	Other property	90	(72)	18	2.26 %						
Other property	Other property										
Total properties	Total properties	\$44,748	\$ (12,592)	\$32,156							
Total properties	Total properties										

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		Net Book				Accumulated Depreciation	Net Book				
		Cost	Accumulated Depreciation	Book Value	Depreciation Rate (1)						
December 31, 2021											
December 31, 2022											
(\$ in millions)											
Land	Land	\$ 2,453	\$ —	\$ 2,453	—						
Land											
Land						\$ 2,405	\$ — \$ 2,405				
Roadway:											
Roadway:											
Roadway:	Roadway:										
Rail and other track material	Rail and other track material	7,330	(1,907)	5,423	2.40 %	Rail and other track material	7,589	(1,971)	(1,971)	5,618	5,618
Ties	Ties	5,779	(1,642)	4,137	3.44 %	Ties	5,981	(1,696)	(1,696)	4,285	4,285
Ballast	Ballast	3,041	(818)	2,223	2.79 %	Ballast	3,126	(873)	(873)	2,253	2,253

Construction in process	Construction in process	339	—	339	—	Construction in process	431	—	—	431	431
Other roadway	Other roadway	14,111	(3,733)	10,378	2.69 %	Other roadway	14,270	(3,948)	(3,948)	10,322	10,322
Total roadway	Total roadway	30,600	(8,100)	22,500		Total roadway	31,397	(8,488)	(8,488)	22,909	22,909
Equipment:	Equipment:										
Equipment:											
Equipment:											
Locomotives	Locomotives	5,695	(1,994)	3,701	3.87 %	Locomotives	5,878	(2,060)	(2,060)	3,818	3,818
Freight cars	Freight cars	2,701	(1,009)	1,692	2.59 %	Freight cars	2,701	(1,033)	(1,033)	1,668	1,668
Computers and software	Computers and software	893	(438)	455	10.34 %	Computers and software	926	(476)	(476)	450	450
Construction in process	Construction in process	164	—	164	—	Construction in process	206	—	—	206	206
Other equipment	Other equipment	1,088	(420)	668	4.63 %	Other equipment	1,145	(463)	(463)	682	682
Total equipment	Total equipment	10,541	(3,861)	6,680		Total equipment	10,856	(4,032)	(4,032)	6,824	6,824
Other property	Other property	90	(70)	20	2.25 %						
Other property											
Other property											
Total properties	Total properties	\$43,684	\$ (12,031)	\$31,653							
Total properties											
Total properties						\$44,748	\$ (12,592)	\$ (12,592)	\$32,156	\$32,156	

⁽¹⁾ Composite annual depreciation rate for the underlying assets, excluding the effects of the amortization of any deficiency (or excess) that resulted from our depreciation studies.

Loss on Asset Disposal

In 2020, we sold 703 locomotives deemed excess and no longer needed for railroad operations. We evaluated these locomotive retirements and concluded they were abnormal (see Note 1). Accordingly, we recorded a \$385 million loss to adjust their carrying amount to their estimated fair value, which resulted in a \$97 million tax benefit.

Capitalized Interest

Total interest cost incurred on debt was \$708 million \$743 million, \$657 million \$708 million, and \$639 million \$657 million during 2023, 2022 2021 and 2020, 2021, respectively, of which \$16 million \$21 million, \$11 million \$16 million, and \$14 million \$11 million was capitalized during 2023, 2022 2021 and 2020, 2021, respectively.

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8. Current Liabilities

	December 31, 2022	December 31, 2021		December 31, 2023	2022
	(\$ in millions)			(\$ in millions)	

Accounts payable:	Accounts payable:	Accounts payable:
Accounts and wages payable	Accounts and wages payable	\$ 712 \$ 850
Due to Conrail (Note 6)	Due to Conrail (Note 6)	173 112
Casualty and other claims (Note 17)	Casualty and other claims (Note 17)	170 166
Vacation liability	Vacation liability	136 119
Other	Other	102 104
Total	Total	\$1,293 \$1,351
Total		
Other current liabilities:	Other current liabilities:	
Other current liabilities:		
Current Eastern Ohio incident liability (Note 17)		
Interest payable	Interest payable	\$ 157 \$ 150
Current operating lease liability	Current operating lease liability	
(Note 10)	(Note 10)	94 82
Pension benefit obligations	Pension benefit obligations	
(Note 12)	(Note 12)	20 20
Other	Other	70 60
Total	Total	\$ 341 \$ 312
Total		
Total		

9. Debt

Debt maturities are presented below:

	December 31,		December 31,	
	2022	2021	2023	2022
	(\$ in millions)		(\$ in millions)	

Notes and debentures, with weighted-average interest rates as of December 31, 2022:

3.95% maturing to 2027	\$ 2,770	\$ 3,318
3.66% maturing 2028 to 2032	2,595	1,995
4.05% maturing 2037 to 2055	9,247	8,097

Notes and debentures, with weighted-average interest rates as of December 31, 2023:

4.20% maturing to 2028

4.03% maturing 2029 to 2033

4.32% maturing 2034 to 2064

5.22% maturing 2097 to 2121	5.22% maturing 2097 to 2121	1,384	1,384
-----------------------------	-----------------------------	-------	-------

Securitization borrowings and finance leases

Discounts, premiums, and debt issuance costs	Discounts, premiums, and debt issuance costs	116	22
--	--	-----	----

Total debt	Total debt	15,182	13,840
------------	------------	--------	--------

Less current maturities and short-term debt	Less current maturities and short-term debt	(703)	(553)
---	---	-------	-------

Notes and debentures, with weighted-average interest rates as of December 31, 2023:

Long-term debt excluding current maturities and short-term debt	Long-term debt excluding current maturities and short-term debt	\$14,479	\$13,287
---	---	----------	----------

Long-term debt excluding current maturities and short-term debt
Long-term debt excluding current maturities and short-term debt

K55 K60

Long-term debt maturities subsequent to 2023 are as follows:
2024 \$ 403

Long-term debt maturities subsequent to 2024 are as follows:

Long-term debt maturities subsequent to 2024 are as follows:

2025	2025	554
2026	2026	602
2027	2027	621

2028 and subsequent years	12,299
---------------------------	--------

2028
2029 and subsequent years

Total Total \$14,479

In June 2022, November 2023, we issued \$750 million \$400 million of 4.55% 5.55% senior notes due 2053, 2034 and \$600 million of 5.95% senior notes due 2064.

In August 2023, we issued \$600 million of 5.05% senior notes due 2030 and \$1.0 billion of 5.35% senior notes due 2054.

In February 2022, 2023, we issued \$600 million \$500 million of 3.00% 4.45% senior notes due 2032 and \$400 million of 3.70% senior notes due 2053, 2033.

In May 2022, 2023, we renewed our accounts receivable securitization program with a maximum borrowing capacity of \$400 million. Amounts under our accounts receivable securitization program are borrowed and repaid from time to time in the ordinary course for general corporate and cash management purposes. The term of our accounts receivable securitization program expires in May 2023. Under this facility NSR sells substantially all of its eligible third-party receivables to a subsidiary, which in turn may transfer beneficial interests in the receivables to various commercial paper vehicles. 2024. Amounts received under this facility are accounted for as borrowings. We had no amounts outstanding at December 31, 2023 and \$100 million (at an average variable interest rate of 5.05%) outstanding under this program at December 31, 2022, which is included within "Short-term debt", and no amounts outstanding at December 31, 2021. Our available borrowing

capacity was \$400 million and \$300 million at December 31, 2023 and \$400 million at December 31, 2022 and December 31, 2021, respectively. Our accounts receivable securitization program was supported by \$903 million and \$883 million in receivables at December 31, 2023 and December 31, 2022, respectively, which are included in "Accounts receivable – net".

Credit Agreement and Debt Covenants

We also have in place and available an \$800 million credit agreement expiring in March 2025, which provides for borrowings at prevailing rates and includes covenants. We had no amounts outstanding under this facility at either December 31, 2022 December 31, 2023 or December 31, 2021 December 31, 2022, and we are in compliance with all of its covenants.

Subsequent Event Events

On February 2, 2023, In January 2024, we issued \$500 million of 4.45% senior notes due 2033. renewed and amended our \$800 million credit agreement. The amended agreement expires in January 2029, and provides for borrowings at prevailing rates and includes covenants.

In January 2024, we also entered into a term loan credit agreement that established a 364-day, \$1.0 billion, unsecured delayed draw term loan facility under which we can borrow for general corporate purposes. The term loan credit agreement provides for borrowing at prevailing rates and includes covenants that align with the \$800 million credit agreement.

K61

10. Leases

We are committed under long-term lease agreements for equipment, lines of road, and other property. We combine lease and non-lease components for new and reassessed leases. Some of these agreements are variable lease agreements that include usage-based payments. These agreements contain payment provisions that depend on an index or rate, initially measured using the index or rate at the lease commencement date, and are therefore not included in our future minimum lease payments. Our long-term lease agreements do not contain any material restrictive covenants.

Our equipment leases have remaining terms of less than 1 year to 7 years and our lines of road and land leases have remaining terms of less than 1 year to 135 134 years. Some of these leases include options to extend the leases for up to 99 years and some include options to terminate the leases within 30 days. Because we are not reasonably certain to exercise these renewal options, the options are not considered in determining the lease term, and associated payments are excluded from future minimum lease payments.

Leases with an initial term of twelve months or less are not recorded on the balance sheet. We recognize lease expense for these leases on a straight-line basis over the lease term.

K56

Operating lease amounts included on the Consolidated Balance Sheets are as follows:

		December 31,			
		2022	2021		
		(\$ in millions)			
Classification		December 31,		December 31,	
		2023	2023	2022	
		(\$ in millions)			
Assets		Assets		Assets	
Assets					
Assets					

Right-of-use (ROU) assets	Right-of-use (ROU) assets	Other assets	\$ 407	\$ 411
Liabilities				
Liabilities				
Current lease liabilities				
Current lease liabilities	Current lease liabilities	Other current liabilities	\$ 94	\$ 82
Non-current lease liabilities	Non-current lease liabilities	Other liabilities	316	331
Total lease liabilities	Total lease liabilities		\$ 410	\$ 413
Total lease liabilities				
Total lease liabilities				

The components of total lease expense, primarily included in "Purchased services and rents," are as follows:

	2023			2023	2022	2021
	(\$ in millions)					(\$ in millions)
	2022	2021	2020			
	(\$ in millions)					
Operating lease expense						
Operating lease expense						
Operating lease expense	\$101	\$106	\$109			
Variable lease expense	55	44	42			
Short-term lease expense	18	9	9			
Total lease expense	\$174	\$159	\$160			
Total lease expense						
Total lease expense						

In March 2019, we entered into a non-cancellable lease for an office building. In 2021, the construction of the office building was completed and the lease commenced. The initial lease term is five years with options to renew, purchase, or sell the office building at the end of the lease term. The lease contains a residual value guarantee of up to eighty-three percent of the total construction cost of \$499 million.

K62

We currently operate approximately 337 miles of railway that extends from Cincinnati, Ohio to Chattanooga, Tennessee under an operating lease agreement. Lease expense associated with this agreement totaled \$26 million, \$25 million, and \$24 million in 2023, 2022, and 2021, respectively. In 2022, we entered into an asset purchase and sale agreement with the Board of Trustees of the Cincinnati Southern Railway to purchase this line (see further discussion in Note 17). The total purchase price is expected to be approximately \$1.7 billion and will close on March 15, 2024. At close, the existing lease arrangement will terminate and the assets purchased will be reflected in "Properties."

Other information related to operating leases is as follows:

	December 31, 2023		2023		December 31, 2022
	December 31, 2022		2021		
Weighted-average remaining lease term (years) on operating leases					
Weighted-average remaining lease term (years) on operating leases					
Weighted-average remaining lease term (years) on operating leases	Weighted-average remaining lease term (years) on operating leases	6.67	7.49	6.12	6.67
Weighted-average discount rates on operating leases	Weighted-average discount rates on operating leases	3.16 %	3.04 %		
Weighted-average discount rates on operating leases				3.78 %	3.16 %

As the rates implicit in most of our leases are not readily determinable, we use a collateralized incremental borrowing rate based on the information available at the lease commencement date in determining the present value of future payments. We use the portfolio approach and group leases into short-, medium-, and long-term categories, applying the corresponding incremental borrowing rates to these categories.

During 2022 and 2021, ROU assets obtained in exchange for new operating lease liabilities were \$65 million and \$57 million at both periods, respectively. Cash paid for amounts included in the measurement of lease liabilities was \$117 million and \$100 million in 2023 and \$103 million in 2022, and 2021, respectively, and is included in operating cash flows.

Future minimum lease payments under non-cancellable operating leases are as follows:

December 31, 2023		December 31, 2023
		(\$ in millions)
December 31, 2022		
		(\$ in millions)
2023	\$ 103	
2024		
2024		
2024	2024	95
2025	2025	87
2026	2026	69
2027	2027	27
2028 and subsequent years		
years		81
2028		
2029 and subsequent years		
Total lease payments	462	
Less: Interest	52	
Present value of lease liabilities	\$ 410	
Present value of lease liabilities		
Present value of lease liabilities		
		December 31, 2021
		(\$ in millions)
2022		\$ 92
2023		83
2024		73
2025		69
2026		55
2023 and subsequent years		\$ 198
2024 lease payments		496

2025: Interest		87
2026		69
2027: Present value of lease liabilities	\$	413
2028 and subsequent years	K63	
Total lease payments		81
Less: Interest		462
		52
Present value of lease liabilities	\$	410

11. Other Liabilities

	December 31,		(\$ in millions)	December 31,	(\$ in millions)	2022
	2022	2021		2023		
Long-term advances from Conrail (Note 6)	Long-term advances from Conrail (Note 6)	\$ 534	\$ 534			
Long-term advances from Conrail (Note 6)						
Long-term advances from Conrail (Note 6)						
Non-current operating lease liability (Note 10)	Non-current operating lease liability (Note 10)	316	331			
Net pension benefit obligations (Note 12)	Net pension benefit obligations (Note 12)	255	338			
Casualty and other claims (Note 17)	Casualty and other claims (Note 17)	218	170			
Net other postretirement benefit obligations (Note 12)	Net other postretirement benefit obligations (Note 12)	204	244			
Non-current Eastern Ohio incident liability (Note 17)						
Deferred compensation	Deferred compensation	91	109			
Other	Other	141	153			
Total	Total	\$1,759	\$1,879			
Total						
Total						

K58

12. Pensions and Other Postretirement Benefits

We have both funded and unfunded defined benefit pension plans covering eligible employees. We also provide specified health care benefits to eligible retired employees; these plans can be amended or terminated at our option. Under our self-insured retiree health care plan, for those participants who are not Medicare-eligible, certain health care expenses are covered for retired employees and their dependents, reduced by any deductibles, coinsurance, and, in some cases, coverage provided under other group insurance policies. Eligible retired participants and their spouses who are Medicare-eligible are not covered under the self-insured retiree health care plan, but instead are provided with an employer-funded health reimbursement account which can be used for reimbursement of health insurance premiums or eligible out-of-pocket medical expenses.

K64

Pension and Other Postretirement Benefit Obligations and Plan Assets

	Pension Benefits		Other Postretirement Benefits					
	Pension Benefits	Postretirement Benefits			Pension Benefits		Other Postretirement Benefits	
	2022	2021	2022	2021	2023	2022	2023	2022
(\$ in millions)								
Change in benefit obligations:	Change in benefit obligations:				Change in benefit obligations:			
Benefit obligation at beginning of year	Benefit obligation at beginning of year	\$2,777	\$2,845	\$ 417	\$ 471			
Service cost	Service cost	40	43	6	6			
Interest cost	Interest cost	67	55	9	7			
Actuarial gains		(677)	(13)	(70)	(29)			
Actuarial losses (gains)								
Plan amendments	Plan amendments	(4)	(2)	—	—			
Benefits paid	Benefits paid	(152)	(151)	(36)	(38)			
Benefit obligation at end of year	Benefit obligation at end of year	2,051	2,777	326	417			
Change in plan assets:								
Change in plan assets:	Change in plan assets:							
Fair value of plan assets at beginning of year	Fair value of plan assets at beginning of year	2,861	2,675	173	165			
Actual return on plan assets	Actual return on plan assets	(470)	317	(28)	29			
Employer contributions	Employer contributions	21	20	13	17			

Benefits paid	Benefits paid	(152)	(151)	(36)	(38)
Fair value of plan assets at end of year	Fair value of plan assets at end of year	2,260	2,861	122	173
Funded status at end of year	Funded status at end of year	\$ 209	\$ 84	\$ (204)	\$ (244)

Funded status at end of year

Funded status at end of year

Amounts recognized in the Consolidated Balance Sheets:

Amounts recognized in the Consolidated Balance Sheets:

Amounts recognized in the Consolidated Balance Sheets:	Amounts recognized in the Consolidated Balance Sheets:
Other assets	Other assets \$ 484
Other current liabilities	Other current liabilities (20)
Other liabilities	Other liabilities (255)
Net amount recognized	Net amount recognized \$ 209

Net amount recognized

Net amount recognized

Amounts included in accumulated other comprehensive

Amounts included in accumulated other comprehensive

Amounts included in accumulated other comprehensive	Amounts included in accumulated other comprehensive
loss (before tax):	loss (before tax):

Net (gain) loss	Net (gain) loss	\$ 623	\$ 666	\$ (19)	\$ 10
Prior service benefit	Prior service benefit	(6)	(2)	(177)	(202)

loss (before tax):

K59

Our accumulated benefit obligation for our defined benefit pension plans is \$2.0 billion and \$1.9 billion at December 31, 2023 and \$2.6 billion at December 31, 2022 and 2021, respectively. Our unfunded pension plans, included above, which in all cases have no assets, had projected benefit obligations of \$300 million and \$275 million at December 31, 2023 and \$358 million at December 31, 2022 and 2021, respectively, and had accumulated benefit obligations of \$273 million and \$249 million at December 31, 2023 and \$332 million at December 31, 2022 and 2021, respectively.

K65

Pension and Other Postretirement Benefit Cost Components

	Pension benefits:	2022 2021 2020			2023	2022	2021
		(\$ in millions)			(\$ in millions)		
Pension benefits:	Pension benefits:						
Pension benefits:	Pension benefits:						
Service cost	Service cost	\$ 40	\$ 43	\$ 40			
Interest cost	Interest cost	67	55	74			
Expected return on plan assets	Expected return on plan assets	(213)	(193)	(190)			
Amortization of net losses	Amortization of net losses	49	66	51			
Amortization of prior service cost	—	—	—	1			
Amortization of prior service benefit							
Net benefit	Net benefit	\$(57)	\$(29)	\$(24)			
Net benefit							
Net benefit							
Other postretirement benefits:	Other postretirement benefits:						
Other postretirement benefits:	Other postretirement benefits:						
Other postretirement postretirement benefits:	Other postretirement benefits:						
Service cost	Service cost	\$ 6	\$ 6	\$ 6			
Interest cost	Interest cost	9	7	12			
Expected return on plan assets	Expected return on plan assets	(13)	(12)	(14)			
Amortization of net losses	Amortization of net losses	—	1	—			
Amortization of prior service benefit	Amortization of prior service benefit	(25)	(26)	(25)			
Net benefit	Net benefit	\$(23)	\$(24)	\$(21)			

Net benefit
Net benefit

Other Changes in Plan Assets and Benefit Obligations Recognized in Other Comprehensive Income

	2022		2023		Other Postretirement Benefits (\$ in millions)	
	Pension Benefits		Pension Benefits			
	Other Pension Benefits	Postretirement Benefits	Other Pension Benefits	Postretirement Benefits		
					(\$ in millions)	
Net gains arising during the year						
Net gains arising during the year						
Net gains arising during the year						
Net (gains) losses arising during the year	\$ 6	\$ (29)				
Prior service effect of plan amendment						
Prior service effect of plan amendment						
Prior service effect of plan amendment	Prior service effect of plan amendment	(4)	—			
Amortization of net losses	Amortization of net losses	(49)	—			
Amortization of prior service benefit	Amortization of prior service benefit	—	25			
Total recognized in other comprehensive income	Total recognized in other comprehensive income	\$ (47)	\$ (4)			
Total recognized in other comprehensive income						
Total recognized in net periodic cost and other comprehensive income	Total recognized in net periodic cost and other comprehensive income	\$ (104)	\$ (27)			

K60

Net losses gains arising during the year for both pension benefits and other postretirement benefits were due primarily to lower higher actual returns on plan assets offset by an increase a decrease in discount rates. Net gains arising during the year for other postretirement benefits were due primarily to an increase in discount rates, partially offset by lower actual returns on plan assets.

The estimated net losses and prior service credits for the pension plans that will be amortized from accumulated other comprehensive loss into net periodic cost over the next year are **\$4 million** **\$16 million**. The estimated net gains and prior service benefit for the other postretirement benefit plans that will be amortized from accumulated other comprehensive loss into net periodic benefit over the next year is \$26 million.

K66

Pension and Other Postretirement Benefits Assumptions

Costs for pension and other postretirement benefits are determined based on actuarial valuations that reflect appropriate assumptions as of the measurement date, ordinarily the beginning of each year. The funded status of the plans is determined using appropriate assumptions as of each year end. A summary of the major assumptions follows:

Pension	Pension	2022	2021	2020		2023	2022	2021
		funded status:			Pension funded status:			
Discount rate	Discount rate	5.56 %	2.97 %	2.67 %	Discount rate	5.23 %	5.56 %	2.97 %
Future salary increases	Future salary increases	4.44 %	4.44 %	4.21 %	Future salary increases	4.44 %	4.44 %	4.44 %
Other postretirement benefits	Other postretirement benefits							
funded status:	funded status:	Pension cost:			Other postretirement benefits funded status:			
Discount rate	Discount rate	5.45 %	2.72 %	2.27 %	Discount rate	5.11 %	5.45 %	2.72 %
Pension cost:	Pension cost:	Pension cost:			Other postretirement benefits cost:			
Discount rate - service cost	Discount rate - service cost	3.25 %	3.14 %	3.71 %	Discount rate - service cost	5.75 %	3.25 %	3.14 %
Discount rate - interest cost	Discount rate - interest cost	2.45 %	1.95 %	2.92 %	Discount rate - interest cost	5.40 %	2.45 %	1.95 %
Return on assets in plans	Return on assets in plans	8.00 %	8.00 %	8.25 %	Return on assets in plans	8.00 %	8.00 %	8.00 %
Future salary increases	Future salary increases	4.44 %	4.44 %	4.21 %	Future salary increases	4.44 %	4.44 %	4.44 %
Other postretirement benefits cost:	Other postretirement benefits cost:	Other postretirement benefits cost:			Other postretirement benefits cost:			
Discount rate - service cost	Discount rate - service cost	3.01 %	2.71 %	3.41 %	Discount rate - service cost	5.56 %	3.01 %	2.71 %
Discount rate - interest cost	Discount rate - interest cost	2.13 %	1.57 %	2.69 %	Discount rate - interest cost	5.23 %	2.13 %	1.57 %
Return on assets in plans	Return on assets in plans	7.75 %	7.75 %	8.00 %	Return on assets in plans	7.75 %	7.75 %	7.75 %
Health care trend rate	Health care trend rate	6.50 %	6.00 %	6.25 %	Health care trend rate	7.00 %	6.50 %	6.00 %

To determine the discount rates used to measure our benefit obligations, we utilize analyses in which the projected annual cash flows from the pension and other postretirement benefit plans were matched with yield curves based on an appropriate universe of high-quality corporate bonds. We use the results of the yield curve analyses to select the discount rates that match the payment streams of the benefits in these plans.

We use a spot rate approach to estimate the service cost and interest cost components of net periodic benefit cost for our pension and other postretirement benefit plans.

Health Care Cost Trend Assumptions

For measurement purposes at December 31, 2022 December 31, 2023, increases in the per capita cost of pre-Medicare covered health care benefits were assumed to be 7.0% 6.5% for 2023, 2024. We assume the rate will ratably decrease to an ultimate rate of 5.0% for 2030 and remain at that level thereafter.

K61

Assumed health care cost trend rates affect the amounts reported in the financial statements. To illustrate, a one-percentage point change in the assumed health care cost trend would have the following effects:

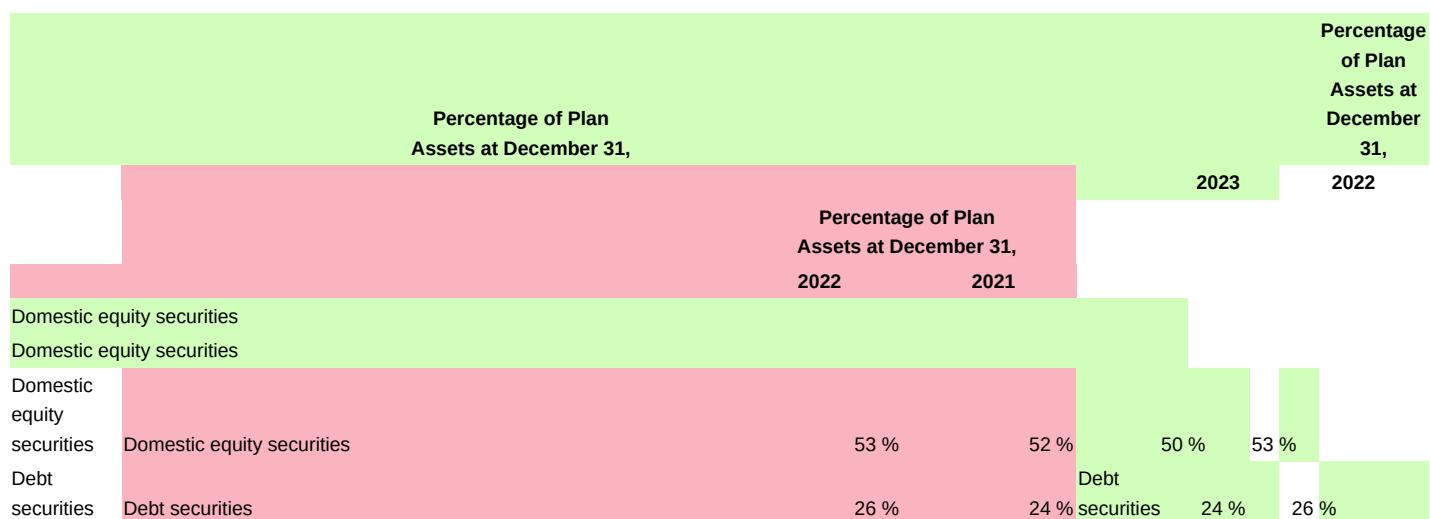
	One-percentage Point	
	Increase	Decrease
	(\$ in millions)	
Increase (decrease) in:		
Total service and interest cost components	\$ 1	\$ (1)
Postretirement benefit obligation	6	(5)

Asset Management

Thirteen investment firms manage our defined benefit pension plan's assets under investment guidelines approved by our Benefits Investment Committee that is composed of members of our management. Investments are restricted to domestic and international equity securities, domestic and international fixed income securities, and unleveraged exchange-traded options and financial futures. Limitations restrict investment concentration and use of certain derivative investments. The target asset allocation for equity is 75% of the pension plan's assets. Fixed income investments must consist predominantly of securities rated investment grade or higher. Equity investments must be in liquid securities listed on national exchanges. No investment is permitted in our securities (except through commingled pension trust funds).

K67

Our pension plan's weighted-average asset allocations, by asset category, were as follows:



International equity securities	International equity securities	20 %	23 % securities	International equity securities	24 %	20 %
Cash and cash equivalents	Cash and cash equivalents	1 %	1 % equivalents	Cash and cash equivalents	2 %	1 %
Total	Total	<u>100 %</u>	<u>100 %</u>			
Total					<u>100 %</u>	<u>100 %</u>
Total						

The other postretirement benefit plan assets consist primarily of trust-owned variable life insurance policies with an asset allocation at December 31, 2022 December 31, 2023 of 66% in equity securities and 34% in debt securities compared with 64% in equity securities and 36% in debt securities compared with 65% in equity securities and 35% in debt securities at December 31, 2021 December 31, 2022. The target asset allocation for equity is between 50% and 75% of the plan's assets.

The plans' assumed future returns are based principally on the asset allocations and historical returns for the plans' asset classes determined from both actual plan returns and, over longer time periods, expected market returns for those asset classes. For 2023, 2024, we assume an 8.00% return on pension plan assets.

K62

Fair Value of Plan Assets

The following is a description of the valuation methodologies used for pension plan assets measured at fair value.

Common stock: Shares held by the plan at year end are valued at the official closing price as defined by the exchange or at the most recent trade price of the security at the close of the active market.

Common collective trusts: The readily determinable fair value is based on the published fair value per unit of the trusts. The common collective trusts hold equity securities, fixed income securities and cash and cash equivalents.

Fixed income securities: Valued based on quotes received from independent pricing services or at an estimated price at which a dealer would pay for the security at year end using observable market-based inputs.

Commingled funds: The readily determinable fair value is based on the published fair value per unit of the funds. The commingled funds hold equity securities.

Cash and cash equivalents: Short-term Treasury bills or notes are valued at an estimated price at which a dealer would pay for the security at year end using observable market-based inputs; money market funds are valued at the closing price reported on the active market on which the funds are traded.

K68

The following table sets forth the pension plan's assets by valuation technique level, within the fair value hierarchy. There were no level 3 valued assets at December 31, 2022 December 31, 2023 or 2021, 2022.

		December 31, 2022			December 31, 2023		
		Level 1	Level 2	Total	Level 1	Level 2	Total
		(\$ in millions)			(\$ in millions)		
Common stock	Common stock	\$1,011	\$ —	\$1,011			
Common stock							

Common stock									
Common collective trusts:	Common collective trusts:	Common collective trusts:							
International equity securities	International equity securities	—	336	336					
Debt securities	Debt securities	—	291	291					
Domestic equity securities	Domestic equity securities	—	160	160					
Fixed income securities:	Fixed income securities:								
Government and agencies securities									
Government and agencies securities									
Government and agencies securities	Government and agencies securities	—	158	158					
Corporate bonds	Corporate bonds	—	100	100					
Mortgage and other asset-backed securities	Mortgage and other asset-backed securities	—	28	28					
Commigled funds	Commigled funds	—	121	121					
Cash and cash equivalents	Cash and cash equivalents	55	—	55					
Total investments	Total investments	\$1,066	\$1,194	\$2,260					
Total investments									
Total investments									

K63

	December 31, 2021			December 31, 2022								
	Level 1		Level 2	Total	Level 1		Level 2					
	(\$ in millions)			(\$ in millions)								
Common stock												
Common stock												
Common stock	Common stock	\$1,383	\$—	\$1,383				Common collective trusts:				
Common collective trusts:	Common collective trusts:	Common collective trusts:										

International equity securities	International equity securities	—	397	397
Debt securities	Debt securities	—	367	367
Domestic equity securities	Domestic equity securities	—	189	189
Fixed income securities:	Fixed income securities:			
Government and agencies securities	Government and agencies securities	—	170	170
Government and agencies securities	Government and agencies securities			
Corporate bonds	Corporate bonds	—	120	120
Mortgage and other asset-backed securities	Mortgage and other asset-backed securities	—	33	33
Commingled funds	Commingled funds			
Commingled funds	Commingled funds	—	160	160
Cash and cash equivalents	Cash and cash equivalents	42	—	42
Total investments	Total investments	\$1,425	\$1,436	\$2,861
Total investments	Total investments			
Total investments	Total investments			

The following is a description of the valuation methodologies used for other postretirement benefit plan assets measured at fair value.

Trust-owned life insurance: Valued at our interest in trust-owned life insurance issued by a major insurance company. The underlying investments owned by the insurance company consist of a U.S. stock account and a U.S. bond account but may retain cash at times as well. The U.S. stock account and U.S. bond account are valued based on readily determinable fair values.

K69

The other postretirement benefit plan assets consisted of trust-owned life insurance with fair values of \$138 million and \$122 million at December 31, 2023 and \$173 million at December 31, 2022 and 2021, respectively, and are valued under level 2 of the fair value hierarchy. There were no level 1 or level 3 valued assets.

Contributions and Estimated Future Benefit Payments

In 2023, we expect to contribute approximately \$20 million to our unfunded pension plans for payments to pensioners and approximately \$33 million to our other postretirement benefit plans for retiree health and death benefits. We do not expect to contribute to our funded pension plan in 2024.

K64

Benefit payments, which reflect expected future service, as appropriate, are expected to be paid as follows:

	Pension Benefits	Other		
		Pension Benefits	Postretirement Benefits	Postretirement Benefits
		(\$ in millions)		
2023		\$ 148	\$ 33	
2024				
2024	2024	148	32	
2025	2025	147	31	
2026	2026	147	30	
2027	2027	147	29	
Years 2028 – 2032		736	135	
2028				
Years				
2029				
–				
2033				

Other Postretirement Coverage

Under collective bargaining agreements, Norfolk Southern and certain subsidiaries participate in a multi-employer benefit plan, which provides certain postretirement health care and life insurance benefits to eligible craft employees. Premiums under this plan are expensed as incurred and totaled \$11 million, \$13 million in 2022, and \$21 million in 2023, 2022, 2021, and \$22 million in 2020, respectively.

Section 401(k) Plans

Norfolk Southern and certain subsidiaries provide Section 401(k) savings plans for employees. Under the plans, we match a portion of employee contributions, subject to applicable limitations. Our matching contributions, recorded as an expense, totaled \$25 million, \$22 million in 2022, and \$23 million in 2023, 2022, 2021, and \$21 million in 2020, respectively.

13. Stock-Based Compensation

Under the stockholder-approved LTIP, the Human Capital Management and Compensation Committee (Committee), which is made up of nonemployee members of the Board, or the Chief Executive Officer (when delegated authority by such Committee), may grant stock options, stock appreciation rights (SARs), restricted stock units (RSUs), restricted shares, performance share units (PSUs), and performance shares, up to a maximum of 104,125,000 shares of our Common Stock, of which 8,238,993 remain available for future grants as of December 31, 2022 December 31, 2023.

The number of shares remaining for issuance under the LTIP is reduced (i) by 1 for each award granted as a stock option or stock-settled SAR, or (ii) by 1.61 for an award made in the form other than a stock option or stock-settled SAR. Under the Board-approved Thoroughbred Stock Option Plan (TSOP), the Committee may

grant stock options up to a maximum of 6,000,000 shares of Common Stock. We use newly issued shares to satisfy any exercises and awards under the LTIP and the TSOP.

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The LTIP also permits the payment, on a current or a deferred basis and in cash or in stock, of dividend equivalents on shares of Common Stock covered by stock options, RSUs, or PSUs in an amount commensurate with regular quarterly dividends paid on Common Stock. With respect to stock options, if employment of the participant is terminated for any reason, including retirement, disability, or death, we have no further obligation to make any dividend equivalent payments. Regarding RSUs, we have no further obligation to make any dividend equivalent payments unless employment of the participant is terminated as a result of qualifying retirement or disability. Should an employee terminate employment, they are not required to forfeit dividend equivalent payments already received. Outstanding PSUs do not receive dividend equivalent payments.

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The Committee granted stock options, RSUs and PSUs pursuant to the LTIP for the last three years as follows:

	2022		2021		2020			
	Weighted-Average		Weighted-Average		Weighted-Average			
	Grant-Date Fair		Grant-Date Fair		Grant-Date Fair			
	Granted	Value	Granted	Value	Granted	Value		
2023					2023		2022	2021
					Weighted-Average		Weighted-Average	Weighted-Average
					Grant-Date Fair		Average	Grant-Date Fair
Granted					Granted	Value	Granted	Grant-Date Fair
Stock options	Stock options	140,080	\$ 61.32	42,770	\$ 62.49	43,770	\$ 52.05	
RSUs	RSUs	180,306	265.21	183,093	240.09	178,190	210.11	
PSUs	PSUs	58,945	272.22	50,100	240.72	78,830	212.66	

Recipients of certain RSUs and PSUs pursuant to the LTIP who retire prior to October 1st will forfeit awards received in the current year. Receipt of certain LTIP awards is contingent on the recipient having executed a non-compete agreement with the company.

We account for our grants of stock options, RSUs, PSUs, and dividend equivalent payments in accordance with FASB ASC 718, "Compensation - Stock Compensation." Accordingly, all awards result in charges to net income while dividend equivalent payments, which are all related to equity classified awards, are charged to retained income. Compensation cost for the awards is recognized on a straight-line basis over the requisite service period for the entire award. Related compensation costs and tax benefits during the years were:

	2022 2021 2020			2023		2022	2021
	(\$ in millions)			(\$ in millions)			
Stock-based compensation expense	Stock-based expense	\$ 53	\$ 54	\$ 28			
Stock-based compensation expense							
Stock-based compensation expense							
Total tax benefit	Total tax benefit	27	34	44			

Stock Options

Option exercise prices will be at least the higher of (i) the average of the high and low prices at which Common Stock is traded on the grant date, or (ii) the closing price of Common Stock on the grant date. All options are subject to a vesting period of at least one year, and the term of the option will not exceed ten years. Holders of the options granted under the LTIP who remain actively employed receive cash dividend equivalent payments for four years in an amount equal to the regular quarterly dividends paid on Common Stock.

For all years, options granted under the LTIP and the TSOP may not be exercised prior to the fourth and third anniversaries of the date of grant, respectively, or if the optionee retires or dies before that anniversary date, may not be exercised before the later of one year after the grant date or the date of the optionee's retirement or death.

The fair value of each option awarded was measured on the date of grant using the Black-Scholes valuation model. Expected volatility is based on implied volatility from traded options on, and historical volatility of, Common Stock. Historical data is used to estimate option exercises and employee terminations within the valuation model. Historical exercise data is used to estimate the average expected option term. The average risk-free interest rate is

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based on the U.S. Treasury yield curve in effect at the time of grant. A dividend yield of zero was used for the LTIP options during the vesting period. For 2023, 2022, 2021, and 2020, a dividend yield of 1.85% 2.24%, 1.64% 1.85%, and 1.76% 1.64%, respectively, was used for the vested period during the remaining expected option term for LTIP options.

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The assumptions for the LTIP grants for the last three years are shown in the following table:

	2022	2021	2020	2023	2022	2021
Average expected volatility	Average volatility	27 %	26 %	22 %		
Average expected volatility						
Average expected volatility					27 %	26 %
Average risk-free interest rate	Average risk-free interest rate	1.80 %	0.75 %	1.47 %	Average risk-free interest rate	
Average expected option term	Average option term	6.5	7.5	7.5	7.0 years	6.5 years
	term	years	years	years	Average expected option term	7.5 years

A summary of changes in stock options is presented below:

Stock Options	Stock Options	Weighted- Average Exercise Price
Weighted- Average Stock Options	Stock Exercise Price	

Outstanding at			
December 31, 2021	1,095,895	\$ 106.58	
Outstanding at			
December 31, 2022			
Outstanding at			
December 31, 2022			
Outstanding at			
December 31, 2022			
Granted	Granted	140,080	287.31
Exercised	Exercised	(307,660)	82.72
Forfeited	Forfeited	(48,313)	270.92
Outstanding at			
December 31,			
2022	<u>880,002</u>	134.66	
Outstanding at			
December 31,			
2023			
Outstanding at			
December 31,			
2023			
Outstanding at			
December 31,			
2023			

The aggregate intrinsic value of options outstanding at December 31, 2022 December 31, 2023 was \$103 million \$66 million with a weighted-average remaining contractual term of 4.1 4.0 years. Of these options outstanding, 742,810 570,428 were exercisable and had an aggregate intrinsic value of \$101 million \$66 million with a weighted-average exercise price of \$110.09 \$123.27 and a weighted-average remaining contractual term of 2.1 1.6 years.

The following table provides information related to options exercised for the last three years:

	2022	2021	2020	2023	2022	2021
	(\$ in millions)			(\$ in millions)		
Options exercised	Options exercised					
	307,660	470,632	1,171,786			
Options exercised						
Options exercised						
Total intrinsic value	Total intrinsic value	\$ 54	\$ 83	\$ 144		
Cash received upon exercise	Cash received upon exercise	25	42	98		
Related tax benefits realized	Related tax benefits realized	12	17	29		

At December 31, 2022 December 31, 2023, total unrecognized compensation related to options granted under the LTIP was \$3 million, and is expected to be recognized over a weighted-average period of approximately 3.0 2.4 years.

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Restricted Stock Units

RSUs granted primarily have a four-year ratable restriction period and will be settled through the issuance of shares of Common Stock. Certain RSU grants include cash dividend equivalent payments during the restriction period in an amount equal to regular quarterly dividends paid on Common Stock. The fair value of each RSU was measured on the date of grant as the average of the high and low prices at which Common Stock is traded on the grant date, adjusted for the impact of dividend equivalent payments as applicable.

	2022	2021	2020	2023	2022	2021
	(\$ in millions)			(\$ in millions)		
RSUs vested	RSUs vested	249,138	260,307	204,665		
RSUs vested						
Common Stock issued net of tax	Common Stock issued net of tax					
withholding	withholding	175,781	184,319	146,047		
Related tax benefits realized	Related tax benefits realized	\$ 5	\$ 7	\$ 4		

A summary of changes in RSUs is presented below:

	RSUs	RSUs	Weighted-Average Grant-Date Fair Value
	Weighted-Average Grant-Date Fair Value	RSUs	Weighted-Average Grant-Date Fair Value
Nonvested at December 31, 2021	501,103	\$ 193.23	
Nonvested at December 31, 2022			
Nonvested at December 31, 2022			
Granted	Granted	180,306	265.21
Vested	Vested	(249,138)	168.66
Forfeited	Forfeited	(44,890)	244.99
Nonvested at December 31, 2022			
		<u>387,381</u>	<u>236.53</u>

Nonvested at December 31, 2023	
Nonvested at December 31, 2023	
Nonvested at December 31, 2023	

At December 31, 2022 December 31, 2023, total unrecognized compensation related to RSUs was \$37 million \$45 million, and is expected to be recognized over a weighted-average period of approximately 2.6 2.5 years.

Performance Share Units

PSUs provide for awards based on the achievement of certain predetermined corporate performance goals at the end of a three-year cycle and are settled through the issuance of shares of Common Stock. All PSUs will earn out based on the achievement of performance conditions and some will also earn out based on a market condition. The market condition fair value was measured on the date of grant using a Monte Carlo simulation model.

	2022	2021	2020	2023	2022	2021
	(\$ in millions)			(\$ in millions)		
PSUs earned	PSUs earned	86,420	78,727	235,935		
PSUs earned						
Common Stock issued net of tax withholding	Common Stock issued net of tax withholding	54,651	49,967	156,477		
Related tax benefits realized	Related tax benefits realized	\$ 1	\$ 1	\$ 7		

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A summary of changes in PSUs is presented below:

	PSUs	PSUs	Weighted- Average Grant- Date Fair Value
	Weighted- Average Grant- Date PSUs	Fair Value	
Balance at December 31, 2021	202,930	\$ 197.33	
Balance at December 31, 2022			

Balance at			
December 31, 2022			
Balance at			
December 31, 2022			
Granted	Granted	58,945	272.22
Earned	Earned	(86,420)	161.14
Unearned	Unearned	(260)	161.14
Forfeited	Forfeited	(32,758)	254.83
Balance at			
December 31,			
2022		<u>142,437</u>	236.70
Balance at			
December 31,			
2023			
Balance at			
December 31,			
2023			
Balance at			
December 31,			
2023			

At December 31, 2022 December 31, 2023, total unrecognized compensation related to PSUs granted under the LTIP was \$3 million \$2 million, and is expected to be recognized over a weighted-average period of approximately 1.7 years.

Shares Available and Issued

Shares of Common Stock available for future grants and issued in connection with all features of the LTIP and the TSOP at December 31, were as follows:

	2022	2021	2020		2023	2022	2021
Available for future grants:				Available for future grants:			
grants:							
LTIP	LTIP	8,238,993	8,609,075	8,995,582			
TSOP	TSOP	436,402	435,867	435,699			
Issued:	Issued:			Issued:			
LTIP	LTIP	503,090	632,279	1,270,208			
TSOP	TSOP	35,002	72,639	204,102			

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14. Stockholders' Equity

Common Stock

Common Stock is reported net of shares held by our consolidated subsidiaries (Treasury Shares). Treasury Shares at December 31, 2022 December 31, 2023 and 2021 2022 amounted to 20,320,777, with a cost of \$19 million at both dates.

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Accumulated Other Comprehensive Loss

The components of "Other comprehensive income (loss)" income reported in the Consolidated Statements of Comprehensive Income and changes in the cumulative balances of "Accumulated other comprehensive loss" reported in the Consolidated Balance Sheets consisted of the following:

	Balance at Beginning of Year		Balance at Beginning of Year			Balance at Beginning of Year			(\$ in millions)	
	Balance at Beginning of Year	Net Income	Reclassification Adjustments	Balance at End of Year	Net Income	Reclassification Adjustments	Balance at End of Year			
Year ended December 31, 2023	Year ended December 31, 2023									
	(\$ in millions)									
Year ended December 31, 2022										
Pensions and other postretirement liabilities										
Pensions and other postretirement liabilities										
Pensions and other postretirement liabilities	Pensions and other postretirement liabilities	\$ (356)	\$ 20	\$ 17	\$ (319)					
Other comprehensive income of equity investees	Other comprehensive income of equity investees	(46)	14	—	(32)					
Accumulated other comprehensive loss	Accumulated other comprehensive loss	\$ (402)	\$ 34	\$ 17	\$ (351)					
Accumulated other comprehensive loss										
Accumulated other comprehensive loss										
Year ended December 31, 2021										
Year ended December 31, 2022										
Year ended December 31, 2022										
Year ended December 31, 2022										
Pensions and other postretirement liabilities										
Pensions and other postretirement liabilities										
Pensions and other postretirement liabilities	Pensions and other postretirement liabilities	\$ (526)	\$ 139	\$ 31	\$ (356)					
Other comprehensive income of equity investees	Other comprehensive income of equity investees	(68)	22	—	(46)					

Accumulated other comprehensive loss	Accumulated other comprehensive loss
	\$ (594) \$ 161 \$ 31 \$ (402)

Accumulated other comprehensive loss

Accumulated other comprehensive loss

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Other Comprehensive Income (Loss)

"Other comprehensive income (loss)" income reported in the Consolidated Statements of Comprehensive Income consisted of the following:

	Pretax Amount	Tax (Expense) Amount			Pretax (Expense) Benefit	Tax (Expense) Benefit	Net-of-Tax Amount				
		Pretax Amount	(Expense) Benefit	Net-of-Tax Amount							
Year ended December 31, 2023											
Net gain arising during the year:											
Pensions and other postretirement benefits											
Reclassification adjustments for costs included in net income											
Subtotal											
Other comprehensive income of equity investees											
Other comprehensive income of equity investees											
Other comprehensive income of equity investees											
Other comprehensive income											
Other comprehensive income											
Other comprehensive income											
Year ended December 31, 2022											
Year ended December 31, 2022											

Year ended December 31, 2022	Year ended December 31, 2022						
Net gain arising during the year:	Net gain arising during the year:	Net gain arising during the year:					
Pensions and other postretirement benefits	Pensions and other postretirement benefits	\$	27	\$	(7)	\$	20
Reclassification adjustments for costs included in net income	Reclassification adjustments for costs included in net income		24		(7)		17
Subtotal	Subtotal		51		(14)		37
Subtotal	Subtotal						
Other comprehensive income of equity investees	Other comprehensive income of equity investees						
Other comprehensive income of equity investees	Other comprehensive income of equity investees						
Other comprehensive income of equity investees	Other comprehensive income of equity investees		17		(3)		14
Other comprehensive income	Other comprehensive income	\$	68	\$	(17)	\$	51
Other comprehensive income	Other comprehensive income						
Other comprehensive income	Other comprehensive income						
Year ended December 31, 2021	Year ended December 31, 2021						
Year ended December 31, 2021	Year ended December 31, 2021						
Net gain arising during the year:	Net gain arising during the year:	Net gain arising during the year:					
Pensions and other postretirement benefits	Pensions and other postretirement benefits	\$	185	\$	(46)	\$	139
Reclassification adjustments for costs included in net income	Reclassification adjustments for costs included in net income		41		(10)		31
Subtotal	Subtotal		226		(56)		170
Subtotal	Subtotal						
Other comprehensive income of equity investees	Other comprehensive income of equity investees						
Other comprehensive income of equity investees	Other comprehensive income of equity investees						

Other comprehensive income of equity investees	Other comprehensive income of equity investees	24	(2)	22
Other comprehensive income	Other comprehensive income	\$ 250	\$ (58)	\$ 192
Year ended December 31, 2020				
Net loss arising during the year:				
Pensions and other postretirement benefits	\$ (167)	\$ 42	\$ (125)	
Reclassification adjustments for costs included in net income	27	(7)	20	
Subtotal	(140)	35	(105)	
Other comprehensive income of equity investees	2	—	2	
Other comprehensive loss	\$ (138)	\$ 35	\$ (103)	
Other comprehensive income				
Other comprehensive income				

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15. Stock Repurchase Programs

We repurchased and retired 12.6 million 2.8 million, 12.7 million 12.6 million, and 7.4 million 12.7 million shares of Common Stock under our stock repurchase programs in 2023, 2022, 2021, and 2020, 2021, respectively, at a cost of \$627 million, \$3.1 billion, \$3.4 billion, and \$1.4 billion \$3.4 billion, respectively, respectively, inclusive of excise taxes in 2023.

On March 29, 2022, our Board of Directors authorized a new program for the repurchase of up to \$10.0 billion of

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Common Stock beginning April 1, 2022. As of December 31, 2022 December 31, 2023, \$7.5 \$6.9 billion remains authorized for repurchase. Our previous share repurchase program terminated on March 31, 2022.

16. Earnings Per Share

The following table sets forth the calculation of basic and diluted earnings per share:

	Basic						Diluted								
	2022			2021			2020			2022			2021		
	(\$ in millions except per share amounts, shares in millions)						(\$ in millions except per share amounts, shares in millions)								
Net income	Net income	\$3,270	\$3,005	\$2,013	\$3,270	\$3,005	\$2,013						2023	2022	2021
Net income													2023	2022	2021
Net income															
Dividend equivalent payments	Dividend equivalent payments	(2)	(2)	(3)	(1)	—	(2)								

Income available to common stockholders	Income available to common stockholders	\$3,268	\$3,003	\$2,010	\$3,269	\$3,005	\$2,011
Income available to common stockholders	Income available to common stockholders						
Weighted-average shares outstanding	Weighted-average shares outstanding						
Weighted-average shares outstanding	Weighted-average shares outstanding	234.8	246.9	255.1	234.8	246.9	255.1
Dilutive effect of outstanding options and share-settled awards	Dilutive effect of outstanding options and share-settled awards						
Adjusted weighted-average shares outstanding	Adjusted weighted-average shares outstanding	0.8	1.2	1.5			
Earnings per share	Earnings per share	\$13.92	\$12.16	\$ 7.88	\$13.88	\$12.11	\$ 7.84
Earnings per share	Earnings per share						
Earnings per share	Earnings per share						

In each year, dividend equivalent payments were made to certain holders of stock options and RSUs. For purposes of computing basic earnings per share, dividend equivalent payments made to holders of stock options and RSUs were deducted from net income to determine income available to common stockholders. For purposes of computing diluted earnings per share, we evaluate on a grant-by-grant basis those stock options and RSUs receiving dividend equivalent payments under the two-class and treasury stock methods to determine which method is more dilutive for each grant. For those grants for which the two-class method was more dilutive, net income was reduced by dividend equivalent payments to determine income available to common stockholders. The dilution calculations exclude options having exercise prices exceeding the average market price of Common Stock as follows: 0.1 million in for the years ended December 31, 2023 and 2022, and none for the year ended December 31, 2022 and none in the years ended December 31, 2021 and 2020.

17. Commitments and Contingencies

Eastern Ohio Incident

Summary

On February 3, 2023, a train operated by us derailed in East Palestine, Ohio. The derailed equipment included 38 railcars, 11 of which were non-Company-owned tank cars containing hazardous materials. Fires associated with the derailment threatened certain of the tank cars. There was concern about the risk that the contents of five of the tank cars carrying vinyl chloride might polymerize, which would have posed the risk of a catastrophic explosion. As a

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consequence, on February 6, 2023, the local incident commander (the East Palestine Fire Chief)—in consultation with the incident command that included, among others, federal, state and local officials and Norfolk Southern—opted to conduct a controlled vent and burn of five derailed tank cars, all of which contained vinyl chloride. This procedure involved creating holes in the five tank cars to drain the vinyl chloride into adjacent trenches that had been dug into the ground where such vinyl chloride was then burned, with any material remaining after burning of the vinyl chloride being remediated. The February 3rd derailment, the associated fire, and the resulting vent and burn of the tank cars containing vinyl chloride on February 6th is hereinafter referred to as the “Incident.”

In response to the Incident, we have been working to clean the site safely and thoroughly, including those activities described in the Environmental Matters section below with respect to potentially impacted air, soil and water and to monitor for any impact on public health and the environment. We are working with federal, state, and local officials to mitigate impacts from the Incident, including, among other efforts, conducting environmental monitoring and clean-up activities (as more fully described below), operating a family assistance center to provide financial support to affected members of the East Palestine and surrounding communities, and committing additional financial support to the community.

Financial Impact

Although we cannot predict the final outcome or estimate the reasonably possible range of loss with certainty, we recognized \$1.1 billion of expense in 2023 for costs directly attributable to the Incident (including amounts accrued for the probable and reasonably estimable liabilities for those environmental and non-environmental matters described below) which is presented in “Eastern Ohio incident” on the Consolidated Statements of Income. The total expense recognized includes the impact of \$101 million in insurance recoveries received in 2023 from claims made under our insurance policies. We recorded a deferred tax asset (Note 4) of \$249 million related to the Incident expecting that certain expenses will be deductible for tax purposes in future periods or offset with insurance recoveries. During 2023, our cash expenditures attributable to the Incident, net of insurance proceeds received, were \$652 million, which are presented in “Net cash provided by operating activities” on the Consolidated Statements of Cash Flows. The difference between the recognized expense and cash expenditures during 2023 of \$464 million comprises primarily of our current estimates of probable and reasonably estimable liabilities principally associated with environmental matters and legal proceedings, which are discussed in further detail below.

Certain costs recorded in 2023 may be recoverable under our insurance policies in effect at the date of the Incident or from third parties. To date, we have recognized \$101 million in insurance recoveries. Any additional amounts recoverable under our insurance policies or from third parties will be reflected in future periods in which recovery is considered probable. For additional information about our insurance coverage, see “Insurance” below.

Environmental Matters – In response to the Incident, we have been working with federal, state, and local officials such as the U.S. Environmental Protection Agency (EPA), the Ohio EPA, the Pennsylvania Department of Environmental Protection (DEP), and the Columbiana County Health District to conduct environmental response and remediation activities, including but not limited to, air monitoring, indoor air quality screenings, municipal water and private water well testing, residential, commercial, and agricultural soil sampling, surface water and groundwater sampling, re-routing a local waterway around the affected site, capturing and shipping stormwater that enters the impacted derailment site to proper disposal facilities, and excavating and disposing of potentially affected soil at hazardous waste landfills or incinerators. The U.S. EPA issued a Unilateral Administrative Order (UAO) on February 21, 2023 containing various requirements, including the submission of numerous work plans to assess and remediate various environmental media and performance of certain removal actions at the affected site. On February 24, 2023, we submitted to the U.S. EPA our Notice of Intent to Comply with the UAO and are currently cooperating with U.S. EPA as well as the Ohio EPA and Pennsylvania DEP, pursuant to the UAO and the directives issued thereunder. On October 18, 2023, the U.S. EPA issued a second unilateral order under Section 311(c) of the Clean Water Act (CWA), requiring preparation of additional environmental work

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plans. We timely submitted our Notice of Intent to Comply with the CWA order and continue to cooperate with the U.S. EPA, as well as state agencies, in compliance with the CWA order.

We are also subject to the following legal proceedings that principally relate to the environmental impact of the Incident:

- The DOJ and the U.S. EPA filed a civil complaint (the DOJ Complaint) in the Northern District of Ohio (Eastern Division) seeking injunctive relief, cost recovery and civil penalties for violations of the Clean Water Act and seeking cost recovery under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). The Ohio Attorney General (AG) also filed a CERCLA lawsuit (the Ohio Complaint) in the Northern District of Ohio (Eastern Division) seeking statutory damages for a variety of tort and environmental claims under CERCLA and various state laws. The DOJ and Ohio AG cases have been consolidated for discovery purposes. We have filed an answer, and on June 30, 2023, we filed a third-party complaint bringing in numerous parties involved in the Incident.

In connection with the foregoing items, we recognized \$836 million of expense during 2023, of which \$517 million was paid during 2023, related to probable obligations that are reasonably estimable, in accordance with FASB ASC 410-30, “Environmental Obligations.” Our current estimate includes ongoing and

future environmental cleanup activities and remediation efforts, governmental oversight costs (including those incurred by the U.S. EPA and the Ohio EPA), and other related costs, including those in connection with the DOJ Complaint (including potential civil penalties related to violations of the Clean Water Act). Our current estimates of future environmental cleanup and remediation liabilities related to the Incident may change over time due to various factors, including but not limited to, the nature and extent of required future cleanup and removal activities (including those resulting from soil, water, sediment, and air assessment and investigative activities that are currently being, and will continue to be, conducted at the site), and the extent and duration of governmental oversight, amongst other factors. As clean-up efforts progress and more information is available, we will review these estimates and revise as appropriate.

Legal Proceedings and Claims (Non-Environmental) – To date, numerous non-environmental legal actions have commenced with respect to the Incident, including those more specifically set forth below.

- There is a consolidated putative class action pending in the Northern District of Ohio (Eastern Division) in which plaintiffs allege various claims, including negligence, gross negligence, strict liability, and nuisance, and seeking as relief compensatory and punitive damages, medical monitoring and business losses. The putative class is defined by reference to a class area covering a 30-mile radius. On July 12, 2023, we filed a third-party complaint bringing in multiple parties involved in the Incident. The court in the putative class action has established a fact discovery deadline of February 5, 2024. Another putative class action is pending in the Western District of Pennsylvania, brought by Pennsylvania school districts and students. On August 22, 2023, three school districts voluntarily dismissed their actions, then individual lawsuits. On the same day, six Pennsylvania school districts and students filed a putative class action lawsuit alleging negligence, strict liability, nuisance, and trespass, and seeking damages and health monitoring. On December 8, 2023, the school districts amended their complaint to add additional companies as defendants in the action. The putative class action and individual lawsuits are collectively referred to herein as the Incident Lawsuits. In accordance with FASB ASC 450, "Contingencies," we have recognized a \$116 million loss during 2023 with respect to the Incident Lawsuits and related contingencies, of which \$34 million has been paid. At this time, we are unable to estimate the possible loss or range of loss in excess of the amounts accrued regarding the Incident Lawsuits. However, for the reasons set forth below, our estimated loss or range of loss with respect to the Incident Lawsuits may change from time to time, and it is reasonably possible that we will incur actual losses in excess of the amounts currently accrued and such additional amounts may be material. While we continue to

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work with parties with respect to potential resolution pathways, no assurance can be given that we will be successful in doing so and we cannot predict the outcome of these matters.

- We have received securities and derivative litigation and multiple shareholder document and litigation demand letters, including a securities class action lawsuit under the Securities Exchange Act of 1934 initially filed in the Southern District of Ohio alleging multiple securities law violations but since transferred to the Northern District of Georgia, a securities class action lawsuit under the Securities Act of 1933 filed in the Southern District of New York alleging misstatements in association with our debt offerings, and a shareholder derivative complaint in Virginia state court asserting claims for breach of fiduciary duties, waste of corporate assets, and unjust enrichment in connection with safety of the Company's operations (collectively, the Shareholder Matters). On February 2, 2024, defendants filed a motion to dismiss the amended complaint in the Securities Act lawsuit. No responsive pleadings have been filed yet with respect to the other Shareholder Matters.

With respect to the Incident-related litigation and regulatory matters, we record a liability for loss contingencies through a charge to earnings when we conclude that it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated, and disclose such liability if we conclude it to be material. Any adjustments to the recorded liability will be reflected in earnings in the periods in which such adjustments become known. Because the final outcome of any of these legal proceedings cannot be predicted with certainty, developments related to the progress of such legal proceedings or other unfavorable or unexpected developments or outcomes could result in additional costs or new or additionally accrued amounts that could be material to our results of operations in a particular year or quarter. In addition, if it is reasonably possible that we will incur Incident-related losses in excess of the amounts currently recorded as a loss contingency, we disclose the potential range of loss, if reasonably estimable, or we disclose that we cannot reasonably estimate such an amount at this time. For Incident-related litigation and regulatory matters where a loss may be reasonably possible, but not probable, or probable but not reasonably estimable, no accrual is established but the matter, if potentially material, is disclosed.

Our estimates of probable losses and reasonably possible losses are based upon currently available information and involve significant judgement and a variety of assumptions, given that (1) these legal and regulatory proceedings are in early stages; (2) discovery may not be completed; (3) damages sought in these legal and regulatory proceedings can be unsubstantiated or indeterminate; (4) there are often significant facts in dispute; and/or (5) there is a wide range of possible outcomes. Accordingly, our estimated range of loss with respect to these matters may change from time to time, and actual losses may exceed current estimates. At this time, we are unable to estimate the possible loss or range of loss in excess of the amounts accrued with respect to the matters described above.

In addition to the costs associated with environmental matters and legal proceedings and claims, we incurred \$265 million in other expenses directly related to the Incident in 2023 pertaining to legal fees, community support, and other response-related activities. The amounts recorded by us in 2023 do not include any estimate of loss for the following additional items, for which we believe a loss is either not probable or not reasonably estimable for the reasons noted: (i) the overall cost to us for the healthcare fund being developed in conjunction with relevant stakeholders, including the Ohio AG, for affected residents (given the preliminary nature of such discussions), which amount will impact our loss contingency analysis with respect to the Incident Lawsuits described above, or (ii) any fines or penalties (in excess of the liabilities established for Clean Water Act-related civil penalties) that may be imposed as a result of the Incident Inquiries and Investigations, as more specifically set forth and defined below (the outcome of which are uncertain at this time). Additionally, with the exception of amounts recognized during 2023, potential recoveries under our insurance coverage, which may apply to various Incident-related expenses or liabilities as more specifically set forth further below, have not yet been recorded (given the preliminary nature of discussions with our insurers). No amounts have been recorded related to potential recoveries

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from other third parties, which may reduce amounts payable by our insurers under our applicable insurance coverage.

Inquiries and Investigations

As set forth above, we are subject to inquiries and investigations by numerous federal, state, and local government authorities and regulatory agencies regarding the Incident, including but not limited to, the DOJ and the U.S. EPA, the Ohio EPA, the NTSB, the FRA, the Occupational Safety and Health Administration, the Ohio AG, and the Pennsylvania AG. Further details regarding the NTSB and FRA investigations are set forth below. We are cooperating with all inquiries and investigations, including responding to civil and criminal subpoenas and other requests for information (the aforementioned inquiries and investigations, as well as the civil and criminal subpoenas are collectively referred to herein as the Incident Inquiries and Investigations). Aside from the FRA Safety Assessment (defined and described below), the outcome of any current or future Incident Inquiries and Investigations is uncertain at this time, including any related fines, penalties or settlements. Therefore, our expenses for 2023 do not include estimates of the total amount that we may incur for any such fines, penalties or settlements.

Subsequent to the Incident, investigators from the NTSB examined railroad equipment and track conditions; reviewed data from the signal system, wayside defect detectors, local surveillance cameras, and the lead locomotive's event recorder and forward-facing and inward-facing image recorders; and completed certain interviews (the NTSB Investigation). The NTSB issued a preliminary report indicating that one of the cars involved in the derailment appeared to have a wheel bearing in the final stage of overheat failure moments before the derailment. Their preliminary report also indicates that the rail crew was operating the train within our rules; the rail crew operated the train below the track speed limit, the wayside heat detectors were operating as designed; and once the rail crew was alerted by the wayside detector, they immediately began to stop the train. The NTSB conducted a subsequent investigative field hearing in East Palestine, Ohio on June 22 and 23, 2023. The NTSB's investigation remains ongoing. We expect the NTSB to issue a final report, with a probable cause determination and safety recommendations, in 2024.

Concurrent with the NTSB Investigation, the FRA is also investigating the Incident. Similar in scope to the NTSB Investigation, the FRA is examining railroad equipment, track conditions, hazardous materials train placement and routing, and emergency response (the FRA Incident Investigation). The FRA Incident Investigation may result in the assessment of civil penalties. In addition to the FRA Incident Investigation, the FRA completed a 60-day supplemental safety assessment (the FRA Safety Assessment). The FRA Safety Assessment included a review of findings from a previously completed 2022 system audit and an assessment of operational elements including, but not limited to: track, signal, and rolling stock maintenance, inspection and repair practices; protection of employees; communications between transportation departments and mechanical and engineering staff; operation control center procedures and dispatcher training. The overall scope of the FRA Safety Assessment was to examine our safety culture. The FRA issued a public report in early August and included its findings and recommended corrective actions. The FRA Incident Investigation remains ongoing.

Other Commitments and Contingencies

Lawsuits

We and/or certain subsidiaries are defendants in numerous lawsuits and other claims relating principally to railroad operations. When we conclude that it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated, it is accrued through a charge to earnings and, if material, disclosed below. While the ultimate amount of liability incurred in any of these lawsuits and claims is dependent on future developments, in our opinion, the recorded liability is adequate to cover the future payment of such liability and claims. However, the final outcome of any of these lawsuits and claims cannot be predicted with certainty, and unfavorable or unexpected outcomes could result in additional accruals that could be significant to results of operations in a particular year or quarter. Any adjustments to the recorded liability will be reflected in earnings in the periods in which such adjustments become known. For lawsuits and other claims where a loss may be reasonably possible, but not

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probable, or is probable but not reasonably estimable, no accrual is established but the matter, if potentially material, is disclosed below. We routinely review relevant information with respect to our lawsuits and other claims and update our accruals, disclosures and estimates of reasonably possible loss based on such reviews.

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In 2007, various antitrust class actions filed against us and other Class I railroads in various Federal district courts regarding fuel surcharges were consolidated in the District of Columbia by the Judicial Panel on Multidistrict Litigation. In 2012, the court certified the case as a class action. The defendant railroads appealed this certification, and the Court of Appeals for the District of Columbia vacated the District Court's decision and remanded the case for further consideration. On October 10, 2017, the District Court denied class certification. The decision was upheld by the Court of Appeals on August 16, 2019. Since that decision, various individual cases have been filed in multiple jurisdictions and also consolidated in the District of Columbia. We believe the allegations in the complaints are without merit and intend to vigorously defend the cases. We do not believe the outcome of these proceedings will have a material effect on our financial position, results of operations, or liquidity.

In 2018, a lawsuit was filed against one of our subsidiaries by the minority owner in a jointly-owned terminal railroad company in which our subsidiary has the majority ownership. The lawsuit alleged violations of various state laws and federal antitrust laws. On January 3, 2023, the court granted summary judgment to us on all of the compensatory claims but denied summary judgment for all equitable relief claims. On January 18, 2023, the court dismissed the federal equitable relief claims, leaving the state equitable relief claims as the sole remaining issue under consideration. We expect On April 19, 2023, the rulings will be appealed. A trial on the court disposed of all remaining state equitable relief claims has not been scheduled. The court's dismissals were appealed and the case is currently before the United States Court of Appeals for the Fourth Circuit. We will continue to vigorously defend the lawsuit and, although it is reasonably possible we could incur a loss in the case, we believe that we will prevail. However, given that litigation is inherently unpredictable and subject to uncertainties, there can be no assurances that the final outcome of the litigation (including any the related appeal) will not be material. Until such appeal is final, we cannot reasonably estimate the potential loss or range of loss associated with this matter.

Casualty Claims

Casualty claims include employee personal injury and occupational claims as well as third-party claims, all exclusive of legal costs. To aid in valuing our personal injury liability and determining the amount to accrue with respect to such claims during the year, we utilize studies prepared by an independent consulting actuarial firm. Job-related personal injury and occupational claims are subject to the FELA, which is applicable only to railroads. The variability inherent in FELA's fault-based tort system could result in actual costs being different from the liability recorded. While the ultimate amount of claims incurred is dependent on future developments, in our opinion, the recorded liability is adequate to cover the future payments of claims and is supported by the most recent actuarial study. In all cases, we record a liability when the expected loss for the claim is both probable and reasonably estimable.

Employee personal injury claims – The Other than Incident-related matters noted above, the largest component of claims expense is employee personal injury costs. The independent actuarial firm we engage provides quarterly studies to aid in valuing our employee personal injury liability and estimating personal injury expense. The actuarial firm studies our historical patterns of reserving for claims and subsequent settlements, taking into account relevant outside influences. The actuarial firm uses the results of these analyses to estimate the ultimate amount of liability. We adjust the liability quarterly based upon our assessment and the results of the study. The accuracy of our estimate of the liability is subject to inherent limitation given the difficulty of predicting future events such as jury decisions, court interpretations, or legislative changes. As a result, actual claim settlements may vary from the estimated liability recorded.

Occupational claims – Occupational claims include injuries and illnesses alleged to be caused by exposures which occur over time as opposed to injuries or illnesses caused by a specific accident or event. Types of occupational claims commonly seen allege exposure to asbestos and other claimed toxic substances resulting in respiratory diseases or cancer. Many such claims are being asserted by former or retired employees, some of whom have not

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been employed in the rail industry for decades. The independent actuarial firm provides an estimate of the occupational claims liability based upon our history of claim filings, severity, payments, and other pertinent facts. The liability is dependent upon judgments we make as to the specific case reserves as well as judgments of the actuarial firm in the quarterly studies. Our estimate of ultimate loss includes a provision for those claims that have been incurred but not reported. This provision is derived by analyzing industry data and projecting our experience. We adjust the liability quarterly based upon our assessment and the results of the study. However, it is

possible that the recorded liability may not be adequate to cover the future payment of claims. Adjustments to the recorded liability are reflected in operating expenses in the periods in which such adjustments become known.

Third-party claims – We record a liability for third-party claims including those for highway crossing accidents, trespasser and other injuries, property damage, and lading damage. The actuarial firm assists us with the calculation of potential liability for third-party claims, except lading damage, based upon our experience including the number and timing of incidents, amount of payments, settlement rates, number of open claims, and legal defenses. We adjust the liability quarterly based upon our assessment and the results of the study. Given the inherent uncertainty in regard to the ultimate outcome of third-party claims, it is possible that the actual loss may differ from the estimated liability recorded.

Environmental Matters

We are subject to various jurisdictions' environmental laws and regulations. We record a liability where such liability or loss is probable and reasonably estimable. Environmental specialists regularly participate in ongoing evaluations of all known sites and in determining any necessary adjustments to liability estimates.

Our In addition to environmental claims associated with the Incident, our Consolidated Balance Sheets include liabilities for other environmental exposures of \$60 million at December 31, 2023, and \$66 million at December 31, 2022, and \$49 million at December 31, 2021, of which \$15 million is classified as a current liability at the end of both 2022 and 2021 periods. At December 31, 2022 December 31, 2023, the liability represents our estimates of the probable cleanup, investigation, and remediation costs based on available information at 85 known locations and projects compared with 88 locations and projects at December 31, 2021 December 31, 2022. At December 31, 2022 December 31, 2023, twenty-two twenty-one sites accounted for \$55 million \$48 million of the liability, and no individual site was considered to be material. We anticipate that most of this liability will be paid out over five years; however, some costs will be paid out over a longer period.

At eight locations, one or more of our subsidiaries in conjunction with a number of other parties have been identified as potentially responsible parties under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 CERCLA or comparable state statutes that impose joint and several liability for cleanup costs. We calculate our estimated liability for these sites based on facts and legal defenses applicable to each site and not solely on the basis of the potential for joint liability.

With As set forth above, with respect to known environmental sites (whether identified by us or by the Environmental Protection Agency U.S. EPA or comparable state authorities), estimates of our ultimate potential financial exposure for a given site or in the aggregate for all such sites can change over time because of the widely varying costs of currently available cleanup techniques, unpredictable contaminant recovery and reduction rates associated with available cleanup technologies, the likely development of new cleanup technologies, the difficulty of determining in advance the nature and full extent of contamination and each potential participant's share of any estimated loss (and that participant's ability to bear it), and evolving statutory and regulatory standards governing liability.

The risk of incurring environmental liability for acts and omissions, past, present, and future, is inherent in the railroad business. Some of the commodities we transport, particularly those classified as hazardous materials, pose special risks that we work diligently to reduce. In addition, several of our subsidiaries own, or have owned, land used as operating property, or which is leased and operated by others, or held for sale. Because environmental problems that are latent or undisclosed may exist on these properties, there can be no assurance that we will not incur environmental liabilities or costs with respect to one or more of them, the amount and materiality of which cannot be estimated reliably at this time. Moreover, lawsuits and claims involving these and potentially other

unidentified environmental sites and matters are likely to arise from time to time. The resulting liabilities could have a significant effect on financial position, results of operations, or liquidity in a particular year or quarter.

Based on our assessment of the facts and circumstances now known, we believe we have recorded the probable and reasonably estimable costs for dealing with those environmental matters of which we are aware. Further, we believe that it is unlikely that any known matters, either individually or in the aggregate, will have a material adverse effect on our financial position, results of operations, or liquidity.

Labor Agreements

Approximately 80% of our railroad employees are covered by collective bargaining agreements with various labor unions. Pursuant to the RLA, Railway Labor Act, these agreements remain in effect until new agreements are reached, or until the bargaining procedures mandated by the RLA Railway Labor Act are completed. Moratorium provisions in the labor agreements govern when the railroads and unions may propose changes to the agreements. We largely bargain nationally in concert with other major railroads, represented by the National Carriers' Conference Committee.

After management and the unions served their formal proposals, the latest round of national bargaining concluded in November 2019 for changes to the collective bargaining agreements, negotiations began in 2020 following the expiration of the last moratorium. On June 17, 2022, the National Mediation Board notified the parties that all practical methods of ending the dispute had been exhausted without effecting a settlement and that its mediation services had been terminated. Shortly thereafter, President Biden created PEB No. 250, effective July 18, 2022, to investigate the facts of the dispute and make recommendations. The PEB issued its recommendations on August 16, 2022, and the parties engaged in further negotiations. By December 2022, when agreements based on the PEB's recommendations had been either ratified or enacted through legislative action for all twelve unions. For 2022, "Compensation and benefits" includes \$54 million and "Purchased services and rents" includes \$2 million of additional expenses pertaining to wages earned prior to January 1, 2022.

While our unions. With the parties are engaged in additional discussions to conclude the implementation conclusion of the recently finalized agreements, national bargaining, neither party can compel mandatory bargaining around any new proposals until November 1, 2024. That said,

In addition, we understand the imperative to continue improving quality of life for our craft employees and are remain actively engaged with our unions in voluntary local discussions (which (none of which carry no the risk of a work stoppage) with all of our unions on this important issue.

Insurance

We purchase insurance covering legal liabilities for bodily injury and property damage to third parties. Our current liability insurance provides coverage limits for approximately 93% of covered losses above \$75 million and below \$800 million (\$1.1 billion for specific perils) \$734 million per occurrence and/or policy year. In addition, we purchase insurance covering for damage to property owned by us or in our care, custody, or control. Our current property insurance covers provides limits for approximately 82% of potential covered losses above \$75 million and below \$275 million per occurrence and/or policy year.

Insurance coverage with respect to the Incident is subject to certain conditions, including but not limited to our insurers' reservation of rights to further investigate and contest coverage, the express restrictions and sub-limits of coverage, and various policy exclusions, including those for some governmental fines or penalties. Some (re)insurers have disputed certain payments we have made, for example, as part of our effort to respond to, mitigate, and compensate for the impact to the community and affected residents and businesses. We are pursuing coverage with respect to the Incident, and we have recognized \$101 million in insurance recoveries in 2023, principally from excess liability (re)insurers.

Purchase Commitments

At December 31, 2022 December 31, 2023, we had outstanding purchase commitments totaling \$1.7 billion \$1.4 billion through 2030 2053 for locomotive modernizations, long-term technology support and development contracts, track material, and intermodal equipment. vehicles.

Asset Purchase and Sale Agreement

In November 2022, we entered into an asset purchase and sale agreement with the Board of Trustees of the Cincinnati Southern Railway to purchase approximately 337 miles of railway line that extends from Cincinnati, Ohio to Chattanooga, Tennessee which we currently operate under a lease agreement. The agreement is conditioned upon the following, among other items: (i) approval by the voters of the City of Cincinnati (Cincinnati Voter Approval), which was obtained in November 2023, and (ii) the receipt of regulatory approval from the U.S. Surface

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Transportation Board (STB), which occurred in September 2023. In June 2023, we entered into an amended and restated asset purchase and sale agreement which increased the purchase price by \$500,000 and clarified the impact of Cincinnati Voter Approval on the closing timeline. Following the June 2023 amendment, the total purchase price for the line and other associated real and personal property included in the transaction is expected to be approximately \$1.6 \$1.7 billion. The agreement transaction is conditioned upon (i) certain changes scheduled to Ohio state law applicable to the use of the related sale proceeds, (ii) approval by the voters of the City of Cincinnati, and (iii) the receipt of regulatory approval from the STB. The agreement includes various termination provisions including termination at any time prior to closing by the mutual written consent of the parties, termination at any time after December 31, 2024 by the mutual written consent of the parties, termination by us if the STB takes action that we deem unsatisfactory, and termination by either party if Cincinnati voter approval is not obtained close on or before the later of June 30, 2025 and the calendar date on which the polls are open for the 2025 Cincinnati primary election.

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March 15, 2024.

Change-In-Control Arrangements

We have compensation agreements with certain officers and key employees that become operative only upon a change in control of Norfolk Southern, as defined in those agreements. The agreements provide generally for payments based on compensation at the time of a covered individual's involuntary or other specified termination and for certain other benefits.

Indemnifications

In a number of instances, we have agreed to indemnify lenders for additional costs they may bear as a result of certain changes in laws or regulations applicable to their loans. Such changes may include impositions or modifications with respect to taxes, duties, reserves, liquidity, capital adequacy, special deposits, and similar requirements relating to extensions of credit by, deposits with, or the assets or liabilities of such lenders. The nature and timing of changes in laws or regulations applicable to our financings are inherently unpredictable, and therefore our exposure in connection with the foregoing indemnifications cannot be quantified. No liability has been recorded related to these indemnifications.

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Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not applicable.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

Our Chief Executive Officer and Chief Financial Officer, with the assistance of management, evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (Exchange Act)) at **December 31, 2022** December 31, 2023. Based on such evaluation, our officers have concluded that, at **December 31, 2022** December 31, 2023, our disclosure controls and procedures were effective to ensure that information required to be disclosed in our reports under the Exchange Act is recorded, processed, summarized, and reported, within the time period specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including the Chief Executive Officer and the Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control Over Financial Reporting

We are responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control over financial reporting includes those policies and procedures that pertain to our ability to record, process, summarize, and report reliable financial data. We recognize that there are inherent limitations in the effectiveness of any internal control over financial reporting, including the possibility of human error and the circumvention or overriding of internal control. Accordingly, even effective internal control over financial reporting can provide only reasonable assurance with respect to financial statement preparation. Further, because of changes in conditions, the effectiveness of internal control over financial reporting may vary over time.

Our Board of Directors, acting through its Audit Committee, is responsible for the oversight of our accounting policies, financial reporting, and internal control. The Audit Committee of our Board of Directors is comprised of outside directors who are independent of management. The independent registered public accounting firm and our internal auditors have full and unlimited access to the Audit Committee, with or without management, to discuss the adequacy of internal control over financial reporting, and any other matters which they believe should be brought to the attention of the Audit Committee.

We have issued a report of our assessment of internal control over financial reporting, and our independent registered public accounting firm has issued an **attestation report** **opinion** on our internal control over financial reporting at **December 31, 2022** December 31, 2023. These reports appear in Item 8 of this report on Form 10-K.

Changes in Internal Control Over Financial Reporting

During the fourth quarter of **2022**, 2023, we have not identified any changes in internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information**None. Director and Officer Trading Arrangements**

None of our directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement (as defined in Item 408(c) of Regulation S-K) during the fourth quarter of 2023.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

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PART III**NORFOLK SOUTHERN CORPORATION AND SUBSIDIARIES****Item 10. Directors, Executive Officers and Corporate Governance**

In accordance with General Instruction G(3), information called for by Part III, Item 10, is incorporated herein by reference from the information appearing under the caption "Election of the 13 Directors Named in the Proxy Statement for a One-Year Term," under the caption "Delinquent Section 16(a) Reports," under the caption "Committees of the Board," under the caption "Shareholder Recommendations and Nominations," and under the caption "The Thoroughbred Code of Ethics" in to our definitive Proxy Statement for our 2023 2024 Annual Meeting of Stockholders, which definitive Proxy Statement will be filed electronically with the SEC pursuant to Regulation 14A. The information regarding executive officers called for by Item 401 of Regulation S-K is included in Part I hereof beginning under "Information about our Executive Officers."

Item 11. Executive Compensation

In accordance with General Instruction G(3), information called for by Part III, Item 11, is incorporated herein by reference from the information:

- under the caption "Compensation of Directors,"
- under the caption "Compensation Discussion and Analysis," the information appearing in the "Summary Compensation Table" and the "2022 Grants of Plan-Based Awards" table, including the narrative to such tables, the "Outstanding Equity Awards at Fiscal Year-End 2022" and "Option Exercises and Stock Vested in 2022" tables, and the tabular and narrative information appearing under the subcaptions "Retirement Benefits," "Deferred Compensation," and "Potential Payments Upon a Change in Control or Other Termination of Employment;" and,
- under the captions "Compensation Committee Interlocks and Insider Participation," "Compensation Policy Risk Assessment," and "Compensation Committee Report."

In each case included in our definitive Proxy Statement for our 2023 2024 Annual Meeting of Stockholders, which definitive Proxy Statement will be filed electronically with the SEC pursuant to Regulation 14A.

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Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

In accordance with General Instruction G(3), information on security ownership of certain beneficial owners and management called for by Part III, Item 12, is incorporated herein by reference from the information appearing under the caption "Beneficial Ownership of Stock" in to our definitive Proxy Statement for our 2023 2024 Annual Meeting of Stockholders, which definitive Proxy Statement will be filed electronically with the SEC pursuant to Regulation 14A.

Equity Compensation Plan Information (at December 31, 2022 December 31, 2023)

Plan Category	Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans ⁽¹⁾
		(a)	(b)	(c)
Equity compensation plans	Equity compensation plans			
Equity compensation plans approved by securities holders ⁽²⁾				
approved by securities holders ⁽²⁾	approved by securities holders ⁽²⁾	(3)	(5)	
1,476,081	\$ 143.28			8,238,993
Equity compensation plans	Equity compensation plans			
Equity compensation plans not approved by securities holders				
not approved by securities holders	not approved by securities holders	(4)	(6)	
150,015	92.72			436,402
Total	Total	<u>1,626,096</u>	<u>8,675,395</u>	
Total				109,206
Total				96.35
				436,571
				436,571
				(6)

⁽¹⁾ Excludes securities reflected in column (a).

⁽²⁾ LTIP.

⁽³⁾ Includes options, RSUs and PSUs granted under LTIP that will be settled in shares of Common Stock.

⁽⁴⁾ TSOP.

⁽⁵⁾ Calculated without regard to ~~746,094~~ ^{872,863} outstanding RSUs and PSUs at December 31, 2022 December 31, 2023.

⁽⁶⁾ Reflects shares remaining available for grant under TSOP.

Norfolk Southern Corporation Long-Term Incentive Plan

Established on June 28, 1983, and approved by our stockholders at their Annual Meeting held on May 10, 1984, LTIP was adopted to promote the success of our company by providing an opportunity for non-employee Directors, officers, and other key employees to acquire a proprietary interest in Norfolk Southern Corporation (the Corporation). The Board of Directors amended LTIP on January 23, 2015, which amendment was approved by shareholders on May 14, 2015, to include the reservation for issuance of an additional 8,000,000 shares of authorized but unissued Common Stock.

The amended LTIP adopted a fungible share reserve ratio so that, for awards granted after May 13, 2010, the number of shares remaining for issuance under the amended LTIP will be reduced (i) by 1 for each award granted as an option or stock-settled SAR, or (ii) by 1.61 for an award made in the form other than an option or stock-settled SAR. Any shares of Common Stock subject to options, PSUs, restricted shares, or RSUs which are not issued as Common Stock will again be available for award under LTIP after the expiration or forfeiture of an award.

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Non-employee Directors, officers, and other key employees residing in the U.S. or Canada are eligible for selection to receive LTIP awards. Under LTIP, the Committee, or the Corporation's chief executive officer to the extent the Committee delegates award-making authority pursuant to LTIP, may grant incentive stock options, nonqualified stock options, SARs, RSUs, restricted shares, PSUs and performance shares. In addition, dividend equivalent payments may be awarded for options, RSUs and PSUs. Awards under LTIP may be made subject to forfeiture under certain circumstances and the Committee may establish such other terms and conditions for the awards as provided in LTIP.

The option price is at least the higher of (i) the average of the high and low prices at which Common Stock is traded on the date of grant, or (ii) the closing price of Common Stock on the date of the grant. All options are subject to a vesting period of at least one year, and the term of the option will not exceed ten years. LTIP specifically prohibits option repricing without stockholder approval, except that adjustments may be made in the event of changes in our capital structure or Common Stock.

PSUs entitle a recipient to receive performance-based compensation at the end of a three-year cycle based on our performance during that period. For the **2022 2023** PSU awards, corporate performance will be based directly on return on average capital invested, with total return to stockholders and revenue growth serving as a modifier, and will be settled in shares of Common Stock.

RSUs are payable in cash or in shares of Common Stock at the end of a restriction period. During the restriction period, the holder of the RSUs has no beneficial ownership interest in the Common Stock represented by the RSUs and has no right to vote the shares represented by the units or to receive dividends (except for dividend equivalent payment rights that may be awarded with respect to the RSUs). The Committee at its discretion may waive the restriction period, but settlement of any RSUs will occur on the same settlement date as would have applied absent a waiver of restrictions, if no performance goals were imposed. RSUs will be settled in shares of Common Stock.

Norfolk Southern Corporation Thoroughbred Stock Option Plan

Our Board of Directors adopted TSOP on January 26, 1999, to promote the success of our company by providing an opportunity for management employees to acquire a proprietary interest in our company and thereby to provide an additional incentive to management employees to devote their maximum efforts and skills to the advancement, betterment, and prosperity of our company and our stockholders. Under TSOP there were 6,000,000 shares of authorized but unissued Common Stock reserved for issuance. TSOP has not been and is not required to have been approved by our stockholders.

Active full-time management employees residing in the U.S. or Canada are eligible for selection to receive TSOP awards. Under TSOP, the Committee, or the Corporation's chief executive officer to the extent the Committee delegates award-making authority pursuant to TSOP, may grant nonqualified stock options subject to such terms and conditions as provided in TSOP.

The option price may not be less than the average of the high and low prices at which Common Stock is traded on the date of the grant. All options are subject to a vesting period of at least one year, and the term of the option will not exceed ten years. TSOP specifically prohibits repricing without stockholder approval, except for capital adjustments.

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Norfolk Southern Corporation Directors' Restricted Stock Plan

The Plan was adopted on January 1, 1994, and was designed to increase ownership of Common Stock by our non-employee Directors so as to further align their ownership interest in our company with that of our stockholders. The Plan has not been and is not required to have been approved by our stockholders.

Effective January 23, 2015, the Board amended the Plan to provide that no additional awards will be made under the Plan. Prior to that amendment, only non-employee Directors who are not and never have been employees of our company were eligible to participate in the Plan. Upon becoming a Director, each eligible

Director received a one-time grant of 3,000 restricted shares of Common Stock. No additional shares may be granted under the Plan. No individual member of the Board exercised discretion concerning the eligibility of any Director or the number of shares granted.

The restriction period applicable to restricted shares granted under the Plan begins on the date of the grant and ends on the earlier of the recipient's death or the day after the recipient ceases to be a Director by reason of disability or retirement. During the restriction period, shares may not be sold, pledged, or otherwise encumbered. Directors forfeit the restricted shares if they cease to serve as a Director of our company for reasons other than their disability, retirement, or death.

Item 13. Certain Relationships and Related Transactions, and Director Independence

In accordance with General Instruction G(3), information called for by Part III, Item 13, is incorporated herein by reference ~~from the information appearing under the caption "Related Persons Transactions" and under the caption "Director Independence" in to~~ our definitive Proxy Statement for our ~~2023~~ 2024 Annual Meeting of Stockholders, which definitive Proxy Statement will be filed electronically with the SEC pursuant to Regulation 14A.

Item 14. Principal Accountant Fees and Services

Our independent registered public accounting firm is KPMG LLP, Atlanta, GA, Auditor Firm ID: 185.

In accordance with General Instruction G(3), information called for by Part III, Item 14, is incorporated herein by reference ~~from the information appearing under the caption "Ratification of Appointment of Independent Registered Public Accounting Firm" in to~~ our definitive Proxy Statement for our ~~2023~~ 2024 Annual Meeting of Stockholders, which definitive Proxy Statement will be filed electronically with the SEC pursuant to Regulation 14A.

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PART IV

NORFOLK SOUTHERN CORPORATION AND SUBSIDIARIES

Item 15. Exhibits and Financial Statement Schedule Schedules

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(A)	The following documents are filed as part of this report:	
1.	Index to Financial Statements	K34
	Report of Management	K35
	Reports of Independent Registered Public Accounting Firm	K39
	Consolidated Statements of Income, Years ended December 31, 2022, 2021, and 2020	K40
	Consolidated Statements of Comprehensive Income, Years ended December 31, 2022, 2021, and 2020	K41
	Consolidated Balance Sheets at December 31, 2022 and 2021 Report of Independent Registered Public Accounting Firm	K45
	Consolidated Statements of Income, Years ended December 31, 2023, 2022, and 2021	K46
	Consolidated Statements of Comprehensive Income, Years ended December 31, 2023, 2022, and 2021	K47
	Consolidated Balance Sheets at December 31, 2023 and 2022	K48
	Consolidated Statements of Cash Flows, Years ended December 31, 2022, December 31, 2023, 2022, and 2021 and 2020	K49
	Consolidated Statements of Changes in Stockholders' Equity, Years ended December 31, 2022, December 31, 2023, 2022, and 2021 and 2020	K44
	Notes to Consolidated Financial Statements	K50
2.	Financial Statement Schedule: Schedules:	
	The following consolidated financial statement schedule should be read in connection with the consolidated financial statements:	
	Index to Consolidated Financial Statement Schedule Schedules	
	Schedule II – Valuation and Qualifying Accounts	K93 104
	Schedules other than the one listed above are omitted either because they are not required or are inapplicable, or because the information is included in the consolidated financial statements or related notes.	
3.	Exhibits	
Exhibit Number	Description	
2.1	Distribution Agreement, dated as of July 26, 2004, by and among CSX Corporation, CSX Transportation, Inc., CSX Rail Holding Corporation, CSX Northeast Holdings Corporation, Norfolk Southern Corporation, Norfolk Southern Railway Company, CRR Holdings LLC, Green Acquisition Corp., Conrail Inc., Consolidated Rail Corporation, New York Central Lines LLC, Pennsylvania Lines LLC, NYC Newco, Inc., and PRR Newco, Inc., is incorporated by reference to Exhibit 2.1 to Norfolk Southern Corporation's Form 8-K filed on September 2, 2004. (SEC File No. 001-08339)	K93 104
3	Articles of Incorporation and Bylaws –	
(i)(a)	The Restated Articles of Incorporation of Norfolk Southern Corporation are incorporated by reference to Exhibit 3(i) to Norfolk Southern Corporation's 10-K filed on March 5, 2001. (SEC File No. 001-08339)	
(i)(b)	An amendment to the Articles of Incorporation of Norfolk Southern Corporation is incorporated by reference to Exhibit 3(i) to Norfolk Southern Corporation's Form 8-K filed on May 18, 2010. (SEC File No. 001-08339)	
(i)(c)	An amendment to the Articles of Incorporation of Norfolk Southern Corporation is incorporated by reference to Exhibit 3(i) to Norfolk Southern Corporation's Form 10-Q filed on July 29, 2020. (SEC File No. 001-08339)	
(ii)	The Bylaws of Norfolk Southern Corporation, as amended January 25, 2022 July 25, 2023, are incorporated by reference to Exhibit 3(ii) to Norfolk Southern Corporation's the Registrant's Form 8-K filed on January 26, 2022 July 27, 2023. (SEC File No. 001-08339)	

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Instruments Defining the Rights of Security Holders, Including Indentures:

- (a) Indenture, dated as of January 15, 1991, from Norfolk Southern Corporation to First Trust of New York, National Association, as Trustee, is incorporated by reference to Exhibit 4.1 to Norfolk Southern Corporation's Registration Statement on Form S-3 (No. 33-38595).
- (b) [First Supplemental Indenture, dated May 19, 1997, between Norfolk Southern Corporation and First Trust of New York, National Association, as Trustee, related to the issuance of notes in the principal amount of \\$4.3 billion, is incorporated by reference to Exhibit 1.1\(d\) to Norfolk Southern Corporation's Form 8-K filed on May 21, 1997. \(SEC File No. 001-08339\)](#)
- (c) [Fourth Supplemental Indenture, dated as of February 6, 2001, between Norfolk Southern Corporation and U.S. Bank Trust National Association, as Trustee, related to the issuance of notes in the principal amount of \\$1 billion, is incorporated by reference to Exhibit 4.1 to Norfolk Southern Corporation's Form 8-K filed on February 7, 2001. \(SEC File No. 001-08339\)](#)
- (d) [Indenture, dated August 27, 2004, among PRR Newco, Inc., as Issuer, and Norfolk Southern Railway Company, as Guarantor, and The Bank of New York, as Trustee, is incorporated by reference to Exhibit 4\(1\) to Norfolk Southern Corporation's Form 10-Q filed on October 28, 2004. \(SEC File No. 001-08339\)](#)
- (e) [First Supplemental Indenture, dated August 27, 2004, among PRR Newco, Inc., as Issuer, and Norfolk Southern Railway Company, as Guarantor, and The Bank of New York, as Trustee, related to the issuance of notes in the principal amount of approximately \\$451.8 million, is incorporated by reference to Exhibit 4\(m\) to Norfolk Southern Corporation's Form 10-Q filed on October 28, 2004. \(SEC \(SEC File No. 001-08339\)](#)
- (f) [Ninth Supplemental Indenture, dated as of March 11, 2005, between Norfolk Southern Corporation and U.S. Bank Trust National Association, as Trustee, related to the issuance of notes in the principal amount of \\$300 million, is incorporated by reference to Exhibit 4.1 to Norfolk Southern Corporation's Form 8-K filed on March 15, 2005. \(SEC File No. 001-08339\)](#)
- (g) [Tenth Supplemental Indenture, dated as of May 17, 2005, between Norfolk Southern Corporation and U.S. Bank Trust National Association, as Trustee, related to the issuance of notes in the principal amount of \\$366.6 million, is incorporated by reference to Exhibit 99.1 to Norfolk Southern Corporation's Form 8-K filed on May 18, 2005. \(SEC File No. 001-08339\)](#)
- (h) [Eleventh Supplemental Indenture, dated as of May 17, 2005, between Norfolk Southern Corporation and U.S. Bank Trust National Association, as Trustee, related to the issuance of notes in the principal amount of \\$350 million, is incorporated by reference to Exhibit 99.2 to Norfolk Southern Corporation's Form 8-K filed on May 18, 2005. \(SEC File No. 001-08339\)](#)
- (i) [Twelfth Supplemental Indenture, dated as of August 26, 2010, between Norfolk Southern Corporation and U.S. Bank Trust National Association, as Trustee, related to the issuance of notes in the principal amount of \\$250 million, is incorporated by reference to Exhibit 4.2 to Norfolk Southern Corporation's Form 8-K filed on August 26, 2010. \(SEC File No. 001-08339\)](#)
- (j) [Indenture, dated as of June 1, 2009, between Norfolk Southern Corporation and U.S. Bank Trust National Association, as Trustee, is incorporated by reference to Exhibit 4.1 to Norfolk Southern Corporation's Form 8-K filed on June 1, 2009. \(SEC File No. 001-08339\)](#)
- (k) [Second Supplemental Indenture, dated as of May 23, 2011, between the Registrant and U.S. Bank Trust National Association, as Trustee, related to the issuance of notes in the principal amount of \\$400 million, is incorporated by reference to Exhibit 4.1 to Norfolk Southern Corporation's Form 8-K filed on May 23, 2011. \(SEC File No. 001-08339\)](#)
- (l) [Indenture, dated as of September 14, 2011, between the Registrant and U.S. Bank Trust National Association, as Trustee, related to the issuance of notes in the principal amount of \\$595,504,000, is incorporated by reference to Exhibit 4.1 to Norfolk Southern Corporation's Form 8-K filed on September 15, 2011. \(SEC File No. 001-08339\)](#)
- (m) [Third Supplemental Indenture, dated as of September 14, 2011, between the Registrant and U.S. Bank Trust National Association, as Trustee, related to the issuance of notes in the principal amount of \\$4,492,000, is incorporated by reference to Exhibit 4.2 to Norfolk Southern Corporation's Form 8-K filed on September 15, 2011. \(SEC File No. 001-08339\)](#)

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(n) [Fourth Supplemental Indenture, dated as of November 17, 2011, between the Registrant and U.S. Bank Trust National Association, as Trustee, related to the issuance of two series of notes, one in the principal amount of \\$500 million and one in the principal amount of \\$100 million, is incorporated by reference to Exhibit 4.1 to Norfolk Southern Corporation's Form 8-K filed on November 17, 2011. \(SEC File No. 001-08339\)](#)

(o) [Indenture, dated as of March 15, 2012, between the Registrant and U.S. Bank Trust National Association, as Trustee, is incorporated by reference to Exhibit 4.1 to Norfolk Southern Corporation's Form 8-K filed on March 15, 2012. \(SEC File No. 001-08339\)](#)

(p) [Indenture, dated as of August 20, 2012, between the Registrant and U.S. Bank Trust National Association, as Trustee, is incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K filed on August 21, 2012. \(SEC File No. 001-08339\)](#)

(q) [Second Supplemental Indenture, dated as of September 7, 2012, between the Registrant and U.S. Bank Trust National Association, as Trustee, is incorporated by reference to Exhibit 4.1 to Norfolk Southern Corporation's Form 8-K filed on September 7, 2012. \(SEC File No. 001-08339\)](#)

(r) (q) [Third Supplemental Indenture, dated as of August 13, 2013, between the Registrant and U.S. Bank Trust National Association, as Trustee, related to the issuance of notes in the principal amount of \\$500,000,000, is incorporated by reference to Exhibit 4.1 to Norfolk Southern Corporation's Form 8-K filed on August 13, 2013. \(SEC File No. 001-08339\)](#)

(s) (r) [Fourth Supplemental Indenture, dated as of November 21, 2013, between the Registrant and U.S. Bank Trust National Association, as Trustee, related to the issuance of notes in the principal amount of \\$400,000,000, is incorporated by reference to Exhibit 4.1 to Norfolk Southern Corporation's Form 8-K filed on November 21, 2013. \(SEC File No. 001-08339\)](#)

(t) [Indenture, dated as of June 2, 2015, between Registrant and U.S. Bank National Association, as Trustee, is incorporated by reference to Exhibit 4.1 to Norfolk Southern Corporation's Form 8-K filed on June 2, 2015. \(SEC File No. 001-08339\)](#)

(u) (s) [First Supplemental Indenture, dated as of June 2, 2015, between the Registrant and U.S. Bank National Association, as Trustee, is incorporated by reference to Exhibit 4.2 to Norfolk Southern Corporation's Form 8-K filed on June 2, 2015. \(SEC File No. 001-08339\)](#)

(v) (t) [Second Supplemental Indenture, dated as of November 3, 2015, between the Registrant and U.S. Bank National Association, as Trustee, is incorporated by reference to Exhibit 4.1 to Norfolk Southern Corporation's Form 8-K filed on November 3, 2015. \(SEC File No. 001-08339\)](#)

(w) (u) [Third Supplemental Indenture, dated as of June 3, 2016, between the Registrant and U.S. Bank National Association, as Trustee, is incorporated by reference to Exhibit 4.1 to Norfolk Southern Corporation's Form 8-K filed on June 3, 2016. \(SEC File No. 001-08339\)](#)

(x) (v) [Fourth Supplemental Indenture, dated as of May 31, 2017, between the Registrant and U.S. Bank National Association, as Trustee, is incorporated by reference to Exhibit 4.1 to the Corporation's Form 8-K filed May 31, 2017. \(SEC File No. 001-08339\)](#)

(y) (w) [Indenture, dated as of August 15, 2017, between the Registrant and U.S. Bank National Association, as Trustee, is incorporated by reference herein to Exhibit 4.1 to Norfolk Southern Corporation's Form 8-K filed August 15, 2017. \(SEC File No. 001-08339\)](#)

(z) (x) [Indenture, dated as of February 28, 2018 between the Registrant and U.S. Bank National Association, as Trustee. The Indenture is incorporated by reference herein to Exhibit 4.1 to Norfolk Southern Corporation's Form 8-K filed February 28, 2018. \(SEC File No. 001-08339\)](#)

(aa) (y) [First Supplemental Indenture, dated as of February 28, 2018, between the Registrant and U.S. Bank National Association, as Trustee. The Indenture is incorporated by reference herein to Exhibit 4.2 to Norfolk Southern Corporation's Form 8-K filed February 28, 2018. \(SEC File No. 001-08339\)](#)

(bb) (z) [Second Supplemental Indenture, dated as of August 2, 2018, between the Registrant and U.S. Bank National Association, as Trustee. The Indenture is incorporated by reference herein to Exhibit 4.1 to Norfolk Southern Corporation's Form 8-K filed August 2, 2018. \(SEC File No. 001-08339\)](#)

(cc) (aa) [Third Supplemental Indenture, dated as of May 8, 2019, between the Registrant and U.S. Bank National Association, as Trustee, is incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K filed on May 8, 2019. \(SEC File No. 001-08339\)](#)

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(dd) (bb) [Fourth Supplemental Indenture, dated as of November 4November 4, 2019, 2019, between the Registrant and U.S. Bank National Association, as Trustee, is incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K filed on November 4, 2019. \(SEC File No. 001-08339\)](#)

(ee) (cc) [Description of the Registrant's Common Stock Registered Under Section 12 of the Securities Exchange Act of 1934, is incorporated by reference to Exhibit 4\(hh\) to Norfolk Southern Corporation's Form 10-K filed on February 6, 2020. \(SEC File No. 001-08339\)](#)

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(ff) (dd)	Fifth Supplemental Indenture, dated as of May 11, 2020, between the Registrant and U.S. Bank National Association, as Trustee, is incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K filed on May 11, 2020. (SEC File No. 001-08339)
(gg) (ee)	Indenture dated as of May 15, 2020, between the Registrant and U.S. Bank National Association, as Trustee is incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K filed on May 15, 2020. (SEC File No. 001-08339)
(hh) (ff)	Sixth Supplemental Indenture, dated as of May 12, 2021, between the Registrant and U.S. Bank National Association, as Trustee, is incorporated by reference to Exhibit 4.2 to the Registrant's Form 8-K filed on May 12, 2021. (SEC File No. 001-08339)
(ii) (gg)	Seventh Supplemental Indenture, dated as of August 25, 2021, between the Registrant and U.S. Bank National Association, as trustee, is incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K filed on August 25, 2021. (SEC File No. 001-08339)
(jj) (hh)	Eighth Supplemental Indenture, dated as of February 25, 2022, between the Registrant and U.S. Bank Trust Company, National Association (as successor to U.S. Bank National Association), as trustee, is incorporated by reference to Exhibit 4.1 of the Registrant's Form 8-K filed on February 25, 2022. (SEC File No. 001-08339)
(kk) (ii)	Ninth Supplemental Indenture, dated June 13, 2022, between the Registrant and U.S. Bank Trust Company, National Association (as successor to U.S. Bank National Association), as trustee, is incorporated by reference to Exhibit 4.1 of the Registrant's Form 8-K filed on June 15, 2022. (SEC File No. 001-08339)
(jj)	Tenth Supplemental Indenture, dated as of February 2, 2023, between the Registrant and U.S. Bank Trust Company, National Association (as successor to U.S. Bank National Association), as trustee, is incorporated by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K filed on February 2, 2023. (SEC File No. 001-08339)
(kk)	Eleventh Supplemental Indenture, dated as of August 2, 2023, between the Registrant and U.S. Bank Trust Company, National Association (as successor to U.S. Bank National Association), as trustee is incorporated by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K filed on August 2, 2023. (SEC File No. 001-08339)
(ll)	Twelfth Supplemental Indenture, dated as of November 22, 2023, between the Registrant and U.S. Bank Trust Company, National Association (as successor to U.S. Bank National Association), as trustee is incorporated by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K filed on November 22, 2023. (SEC File No. 001-08339)
10	In accordance with Item 601(b)(4)(iii) of Regulation S-K, copies of other instruments of Norfolk Southern Corporation and its subsidiaries with respect to the rights of holders of long-term debt are not filed herewith, or incorporated by reference, but will be furnished to the Commission upon request.
(a)	Material Contracts -
(a)	The Transaction Agreement, dated as of June 10, 1997, by and among CSX and CSX Transportation, Inc., Registrant, Norfolk Southern Railway Company, Conrail Inc., Consolidated Rail Corporation, and CRR Holdings LLC, with certain schedules thereto, previously filed, is incorporated by reference to Exhibit 10(a) to Norfolk Southern Corporation's Form 10-K filed on February 24, 2003. (SEC File No. 001-08339)
(b)	Amendment No. 1 dated as of August 22, 1998, to the Transaction Agreement, dated as of June 10, 1997, by and among CSX Corporation, CSX Transportation, Inc., Norfolk Southern Corporation, Norfolk Southern Railway Company, Conrail, Inc., Consolidated Rail Corporation, and CRR Holdings LLC, is incorporated by reference from Exhibit 10.1 to Norfolk Southern Corporation's Form 10-Q filed on August 11, 1999. (SEC File No. 001-08339)
(c)	Amendment No. 2 dated as of June 1, 1999, to the Transaction Agreement, dated June 10, 1997, by and among CSX Corporation, CSX Transportation, Inc., Norfolk Southern Corporation, Norfolk Southern Railway Company, Conrail, Inc., Consolidated Rail Corporation, and CRR Holdings LLC, is incorporated by reference from Exhibit 10.2 to Norfolk Southern Corporation's Form 10-Q filed on August 11, 1999. (SEC File No. 001-08339)

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(d)	Amendment No. 3 dated as of June 1, 1999, and executed in April 2004, to the Transaction Agreement, dated June 10, 1997, by and among CSX Corporation, CSX Transportation, Inc., Norfolk Southern Corporation, Norfolk Southern Railway Company, Conrail, Inc., Consolidated Rail Corporation, and CRR Holdings LLC, is incorporated by reference from Exhibit 10(dd) to Norfolk Southern Corporation's Form 10-Q filed on July 30, 2004. (SEC File No. 001-08339)
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- (e) [Amendment No. 5 to the Transaction Agreement, dated as of August 27, 2004, by and among CSX Corporation, CSX Transportation, Inc., Norfolk Southern Corporation, Norfolk Southern Railway Company, Conrail, Inc., Consolidated Rail Corporation, and CRR Holdings LLC, is incorporated by reference to Exhibit 10.1 to Norfolk Southern Corporation's Form 8-K filed on September 2, 2004. \(SEC File No. 001-08339\)](#)
- (f) [Amendment No. 6 dated as of April 1, 2007, to the Transaction Agreement, dated June 10, 1997, by and among CSX Corporation, CSX Transportation, Inc., Norfolk Southern Railway Company, Conrail, Inc., Consolidated Rail Corporation, and CRR Holdings LLC, is incorporated by reference to Exhibit 10.5 to Norfolk Southern Corporation's Form 10-Q filed on July 27, 2007. \(SEC File No. 001-08339\)](#)
- (g) [Shared Assets Area Operating Agreement for North Jersey, dated as of June 1, 1999, by and among Consolidated Rail Corporation, CSX Transportation, Inc., and Norfolk Southern Railway Company, with exhibit thereto, is incorporated by reference from Exhibit 10.4 to Norfolk Southern Corporation's Form 10-Q filed on August 11, 1999. \(SEC File No. 001-08339\)](#)
- (h) [Shared Assets Area Operating Agreement for Detroit, dated as of June 1, 1999, by and among Consolidated Rail Corporation, CSX Transportation, Inc., and Norfolk Southern Railway Company, with exhibit thereto, is incorporated by reference from Exhibit 10.6 to Norfolk Southern Corporation's Form 10-Q filed on August 11, 1999. \(SEC File No. 001-08339\)](#)
- (i) [Shared Assets Area Operating Agreement for South Jersey/Philadelphia, dated as of June 1, 1999, by and among Consolidated Rail Corporation, CSX Transportation, Inc., and Norfolk Southern Railway Company, with exhibit thereto, is incorporated by reference from Exhibit 10.5 to Norfolk Southern Corporation's Form 10-Q filed on August 11, 1999. \(SEC File No. 001-08339\)](#)
- (j) [Amendment No. 1, dated as of June 1, 2000, to the Shared Assets Area Operating Agreements for North Jersey, South Jersey/Philadelphia, and Detroit, dated as of June 1, 1999, by and among Consolidated Rail Corporation, CSX Transportation, Inc., and Norfolk Southern Railway Company, with exhibits thereto, is incorporated by reference to Exhibit 10\(h\) to Norfolk Southern Corporation's Form 10-K filed on March 5, 2001. \(SEC File No. 001-08339\)](#)
- (k) [Amendment No. 2, dated as of January 1, 2001, to the Shared Assets Area Operating Agreements for North Jersey, South Jersey/Philadelphia, and Detroit, dated as of June 1, 1999, by and among Consolidated Rail Corporation, CSX Transportation, Inc., and Norfolk Southern Railway Company, with exhibits thereto, is incorporated by reference to Exhibit 10\(j\) to Norfolk Southern Corporation's Form 10-K filed on February 21, 2002. \(SEC File No. 001-08339\)](#)
- (l) [Amendment No. 3, dated as of June 1, 2001, and executed in May of 2002, to the Shared Assets Area Operating Agreements for North Jersey, South Jersey/Philadelphia, and Detroit, dated as of June 1, 1999, by and among Consolidated Rail Corporation, CSX Transportation, Inc., and Norfolk Southern Railway Company, with exhibits thereto, is incorporated by reference to Exhibit 10\(k\) to Norfolk Southern Corporation's Form 10-K filed on February 24, 2003. \(SEC File No. 001-08339\)](#)
- (m) [Amendment No. 4, dated as of June 1, 2005, and executed in late June 2005, to the Shared Assets Area Operating Agreements for North Jersey, South Jersey/Philadelphia, and Detroit, dated as of June 1, 1999, by and among Consolidated Rail Corporation, CSX Transportation, Inc., and Norfolk Southern Railway Company, with exhibits thereto, is incorporated by reference to Exhibit 99 to Norfolk Southern Corporation's Form 8-K filed on July 1, 2005. \(SEC File No. 001-08339\)](#)
- (n) [Monongahela Usage Agreement, dated as of June 1, 1999, by and among CSX Transportation, Inc., Norfolk Southern Railway Company, Pennsylvania Lines LLC, and New York Central Lines LLC, with exhibit thereto, is incorporated by reference from -Exhibit 10.7 to Norfolk Southern Corporation's Form 10-Q filed on August 11, 1999. \(SEC File No. 001-08339\)](#)
- (o) [The Agreement, entered into as of July 27, 1999, between North Carolina Railroad Company and Norfolk Southern Railway Company, is incorporated by reference from Exhibit 10\(i\) to Norfolk Southern Corporation's Form 10-K filed on March 6, 2000. \(SEC File No. 001-08339\)](#)

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- (p) [Second Amendment, dated December 28, 2009, to the Master Agreement dated July 27, 1999, by and between North Carolina Railroad Company and Norfolk Southern Railway Company, is incorporated by reference to Exhibit 10\(q\) to Norfolk Southern Corporation's Form 10-K filed on February 17, 2010 \(Exhibits, annexes and schedules omitted. The Registrant will furnish supplementary copies of such materials to the SEC upon request\). \(SEC File No. 001-08339\)](#)

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(q) [The Supplementary Agreement, entered into as of January 1, 1987, between the Trustees of the Cincinnati Southern Railway and The Cincinnati, New Orleans and Texas Pacific Railway Company \(the latter a wholly owned subsidiary of Norfolk Southern Railway Company\) – extending and amending a Lease, dated as of October 11, 1881 – is incorporated by reference to Exhibit 10\(k\) to Norfolk Southern Corporation's Form 10-K filed on March 5, 2001. \(SEC File No. 001-08339\).](#)

(r)*,** [Norfolk Southern Corporation Executive Management Incentive Plan, as approved by shareholders May 14, 2015, and as amended effective March 27, 2018, and November 17, 2020, is incorporated by reference to Exhibit 10.1 to Norfolk Southern Corporation's Form 8-K filed on January 8, 2021 and November 17, 2023. \(SEC File No. 001-08339\)](#)

(s)* [The Norfolk Southern Corporation Directors' Restricted Stock Plan, adopted January 1, 1994, and amended and restated effective as of January 23, 2015, is incorporated by reference to Exhibit 10.1 to Norfolk Southern Corporation's Form 10-Q filed on October 25, 2017. \(SEC File No. 001-08339\)](#)

(t)*,** [Supplemental Benefit Plan of Norfolk Southern Corporation and Participating Subsidiary Companies, adopted June 1, 1982, as amended and restated effective as of June 26, 2015, is incorporated by reference to Exhibit 10.2 to Norfolk Southern Corporation's Form 10-Q filed on October 25, 2017 December 31, 2023. \(SEC File No. 001-08339\)](#)

(u)* [The Norfolk Southern Corporation Directors' Charitable Award Program, as amended effective July 2007, is incorporated by reference to Exhibit 10.6 to Norfolk Southern Corporation's Form 10-Q filed on July 27, 2007. \(SEC File No. 001-08339\)](#)

(v) [The Norfolk Southern Corporation Thoroughbred Stock Option Plan, as amended effective July 22, 2013, is incorporated by reference to Exhibit 10.2 to Norfolk Southern Corporation's Form 10-Q filed on July 24, 2013. \(SEC File No. 001-08339\)](#)

(w)* [The Norfolk Southern Corporation Executive Life Insurance Plan, as amended and restated effective December 1, 2018, November 30, 2022 and executed as of February 21, 2023, is incorporated by reference to Exhibit 10\(y\), 10.1 to Norfolk Southern Corporation's Form 10-K 10-Q filed on February 8, 2019 April 26, 2023. \(SEC File No. 001-08339\)](#)

(x)*,** [The Norfolk Southern Corporation Long-Term Incentive Plan, as approved by shareholders May 14, 2015, and as amended July 29, 2016, November 29, 2016, November 28, 2017, November 27, 2018, and November 19, 2019, is incorporated by reference to Exhibit 10\(aa\) to Norfolk Southern Corporation's Form 10-K filed on February 6, 2020 November 17, 2023, and December 20, 2023. \(SEC File No. 001-08339\)](#)

(y) [Amended and Restated Transfer and Administration Agreement dated as of May 28, 2021 is incorporated by reference to Exhibit 10.1 on Norfolk Southern Corporation's Form 8-K filed on May 28, 2021. \(SEC File No. 001-08339\)](#)

(z) [Amendment No. 1 dated as of May 27, 2022, to the Amended and Restated Transfer and Administration Agreement, dated as of May 28, 2021 is incorporated by reference to Exhibit 10.1 on Norfolk Southern Corporation's Form 10-Q filed on October 26, 2022. \(SEC File No. 001-08339\)](#)

(aa) [Amendment No. 2 dated as of June 30, 2022, to the Amended and Restated Transfer and Administration Agreement, dated as of May 28, 2021 is incorporated by reference to Exhibit 10.2 on Norfolk Southern Corporation's Form 10-Q filed on October 26, 2022. \(SEC File No. 001-08339\)](#)

(bb) [Commitment Termination Date Extension Request effective as of May 26, 2023 to the Amended and Restated Transfer and Administrative Agreement dated as of May 28, 2021 is incorporated by reference to Exhibit 10.2 on the Registrant's Form 10-Q filed on July 27, 2023. \(SEC File No. 001-08339\)](#)

(cc) [Asset Purchase and Sale Agreement dated November 21, 2022, by and among the Registrant as purchaser, the Cincinnati, New Orleans and Texas Pacific Railway Company, and the Board of Trustees of the Cincinnati Southern Railway as seller is incorporated by reference to Exhibit 2.1 on Norfolk Southern Corporation's Form 8-K filed on November 21, 2022. \(SEC File No. 001-08339\)](#)

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(dd) [First Amended and Restated Asset Purchase and Sale Agreement dated as of June 28, 2023 between Board of Trustees of the Cincinnati Southern Railway, Norfolk Southern Railway Company and The Cincinnati, New Orleans and Texas Pacific Railway Company is incorporated by reference to Exhibit 10.3 on the Registrant's Form 10-Q filed on July 27, 2023. \(SEC File No. 001-08339\)](#)

(cc) (ee)* [Directors' Deferred Fee Plan of Norfolk Southern Corporation, adopted June 1, 1982 and as amended and restated effective December 1, 2019, is incorporated by reference to Exhibit 10\(xx\) to Norfolk Southern Corporation's Form 10-K filed on February 6, 2020. \(SEC File No. 001-08339\)](#)

(dd) (ff)* [Norfolk Southern Corporation Executives' Deferred Compensation Plan, as amended and restated effective January 1, 2019, is incorporated by reference to Exhibit 10\(ww\) to Norfolk Southern Corporation's Form 10-K filed on February 8, 2019. \(SEC File No. 001-08339\)](#)

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(ee)(gg)*	Form of Norfolk Southern Corporation Long-Term Incentive Plan, Award Agreement for Outside Directors for restricted stock units Restricted Stock Units and deferral election form as approved by the Human Capital Management and Compensation Committee on November 18, 2021, is incorporated by reference to Exhibit 10(cc) to Norfolk Southern Corporation's Form 10-K filed on February 4, 2022. (SEC File No. 001-08339).
(ff)(hh)*, **	Form of Norfolk Southern Corporation Long-Term Incentive Plan, Award Agreement for non-qualified stock options Non-Qualified Stock Options approved by the Human Capital Management and Compensation Committee on January 23, 2023 November 16, 2023 .
(gg)(ii)*, **	Form of Norfolk Southern Corporation Long-Term Incentive Plan, Award Agreement for restricted stock units Restricted Stock Units approved by the Human Capital Management and Compensation Committee on January 23, 2023 November 16, 2023 .
(hh)(jj)*, **	Form of Norfolk Southern Corporation Long-Term Incentive Plan, Award Agreement for performance share units Performance Share Units approved by the Human Capital Management and Compensation Committee on January 23, 2023 January 22, 2024 .
(ii)(kk)*	Form of Change in Control Agreement between Norfolk Southern Corporation and executive officers who entered into a change in control agreement after 2015 is incorporated by reference to Exhibit 10.2 to Norfolk Southern Corporation's Form 10-Q filed on July 29, 2020. (SEC File No. 001-08339).
(jj)(ll)	Amended and Restated Credit Agreement dated as of March 27, 2020 January 26, 2024 , establishing a 5-year, \$800 million, unsecured revolving credit facility of the Registrant, is incorporated by reference to Exhibit 10.1 to Norfolk Southern Corporation's Form 8-K filed on March 30, 2020 January 26, 2024 . (SEC File No. 001-08339).
(kk)*, **	Form of Norfolk Southern Corporation Long-Term Incentive Plan, Off-Cycle Award Agreement for Non-Qualified Stock Options as approved by the Human Capital Management and Compensation Committee on January 23, 2023 .
(ll)*, **	Form of Norfolk Southern Corporation Long-Term Incentive Plan, Off-Cycle Award Agreement for Performance Share Units as approved by the Human Capital Management and Compensation Committee on January 23, 2023 .
(mm)*, **	Form of Norfolk Southern Corporation Long-Term Incentive Plan, Off-Cycle Award Agreement for Restricted Stock Units as approved by the Human Capital Management and Compensation Committee on January 23, 2023 .
(nn)*	Offer Letter for Mark R. George, dated August 26, 2019, is incorporated by reference to Exhibit 99.1 to Norfolk Southern Corporation's Form 8-K filed on August 28, 2019. (SEC File No. 001-08339).
(oo)(nn)*	Norfolk Southern Corporation Long-Term Incentive Plan Inducement Award Agreement for Performance-Based Restricted Stock Units is incorporated by reference to Exhibit 99.2 to Norfolk Southern Corporation's Form 8-K filed on August 28, 2019. (SEC File No. 001-08339).
(pp)(oo)*	Norfolk Southern Corporation Long-Term Incentive Plan Inducement Award Agreement for Restricted Stock Units is incorporated by reference to Exhibit 99.3 to Norfolk Southern Corporation's Form 8-K filed on August 28, 2019. (SEC File No. 001-08339).
(qq)(pp)*	Norfolk Southern Corporation Long-Term Incentive Plan Inducement Award Agreement for Non-Qualified Stock Options is incorporated by reference to Exhibit 99.4 to Norfolk Southern Corporation's Form 8-K filed on August 28, 2019. (SEC File No. 001-08339).
(rr)(qq)	A Lease Agreement, dated March 1, 2019, between NSRC and BA Leasing BSC, LLC. This Agreement is incorporated by reference herein to Exhibit 10.2 to Norfolk Southern Corporation's Form 8-K filed March 5, 2019. (See (SEC File No. 001-08339).
(ss)(rr)	A Participation Agreement, dated March 1, 2019, between NSRC, BA Leasing BSC, LLC, Bank of America, N.A. as Administrative Agent, and each of the Rent Assignees listed on Schedule II thereto. This Agreement is incorporated by reference herein to Exhibit 10.3 to Norfolk Southern Corporation's Form 8-K filed March 5, 2019. (See (SEC File No. 001-08339).

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(tt)(ss)	Guaranty of NSRC's obligations under the Participation Agreement, Construction Agency Agreement, Lease Agreement and related documents by Norfolk Southern Corporation. This Agreement is incorporated by reference herein to Exhibit 10.4 to Norfolk Southern Corporation's Form 8-K filed March 5, 2019. (See (SEC File No. 001-08339).
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(uu)**(tt) [Consent and First Omnibus Amendment](#)
[dated May 14, 2021](#)

between NSRC, BA
Leasing, BSC, LLC, Bank
of America, N.A as
Administrative Agent, and
each of the Rent
Assignees (the Registrant
will furnish supplementally
to the Securities and
Exchange Commission
upon request, a copy of
any omitted exhibit or
schedule). (SEC File No.
001-08339)

(vv)** (uu) Consent and Second
Omnibus Amendment
dated September 10, 2021
between NSRC, BA
Leasing, BSC, LLC, Bank
of America, N.A as
Administrative Agent, and
each of the Rent
Assignees (the Registrant
will furnish supplementally
to the Securities and
Exchange Commission
upon request, a copy of
any omitted exhibit or
schedule). (SEC File No.
001-08339)

(vv) Third Omnibus
Amendment Agreement
dated January 23, 2023
between NSRC, BA
Leasing, BSC, LLC, Bank
of America, N.A as
Administrative Agent, and
each of the Rent
Assignees is incorporated
by reference herein to
Exhibit 10.2 to the
Registrant's Form 10-Q
files on April 26, 2023.
(SEC File No. 001-08339)

(ww)* Norfolk Southern
Executive Severance Plan
as adopted on May 14,
2020, and as amended
July 28, 2020, and
November 17, 2022, is
incorporated by reference
herein to Exhibit 10.1 to
Norfolk Southern
Corporation's Corporation's
Form 8-K8-K filed on
November 21,
2022 November 21, 2022.
(SEC File No. 001-08339)

Term Loan Credit

	<u>Term Loan Credit</u> <u>Agreement dated as of</u> <u>January 26, 2024,</u> <u>establishing a \$1,000</u> <u>million unsecured delayed</u> <u>draw term loan credit</u> <u>facility of the Registrant, is</u> <u>incorporated by reference</u> <u>to Exhibit 10.2 to Norfolk</u> <u>Southern Corporation's</u> <u>Form 8-K filed on January</u> <u>26, 2024, (SEC File No.</u> <u>001-08339)</u>
21**	<u>Subsidiaries of the</u> <u>Registrant.</u>
23**	<u>Consent of Independent</u> <u>Registered Public</u> <u>Accounting Firm.</u>
31-A**	<u>Rule 13a-14(a)/15d-014(a)</u> <u>CEO Certification.</u>
31-B**	<u>Rule 13a-14(a)/15d-014(a)</u> <u>CFO Certification.</u>
32**	<u>Section 1350</u> <u>Certifications.</u>
97*,**	<u>Norfolk Southern</u> <u>Corporation Incentive-</u> <u>Based Compensation</u> <u>Recovery Policy as</u> <u>adopted by Human Capital</u> <u>Management and</u> <u>Compensation Committee</u> <u>on November 17, 2023.</u>
101**	The following financial information from Norfolk Southern Corporation's Annual Report on Form 10-K for the year ended <u>December 31,</u> <u>2022</u> December 31, 2023, formatted in Inline Extensible Business Reporting Language (iXBRL) includes: (i) the Consolidated Statements of Income for each of the years ended <u>December 31, 2022</u> December 31, 2023, <u>2021</u> , 2022, and <u>2020</u> ; 2021; (ii) the Consolidated Statements of Comprehensive Income for each of the years ended <u>December 31, 2022</u> December 31, 2023, <u>2021</u> , 2022, and <u>2020</u> ; 2021; (iii) the Consolidated Balance

Sheets at **December 31, 2022** December 31, 2023 and **2021**; 2022; (iv) the Consolidated Statements of Cash Flows for each of the years ended **December 31, 2022** December 31, 2023, **2021**, 2022, and **2020**; 2021; (v) the Consolidated Statements of Changes in Stockholders' Equity for each of the years ended **December 31, 2022** December 31, 2023, **2021**, 2022, and **2020**; 2021; and (vi) the Notes to Consolidated Financial Statements.

104** Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Management contract or compensatory arrangement.

** Filed herewith.

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(B) Exhibits. The Exhibits required by Item 601 of Regulation S-K as listed in Item 15(A)3 are filed herewith or incorporated by reference.

(C) Financial Statement Schedules. Financial statement schedules and separate financial statements specified by this Item are included in Item 15(A)2 or are otherwise not required or are not applicable. Exhibits 23, 31, and 32 are included in copies assembled for public dissemination. All exhibits are included in the **2022** 2023 Form 10-K posted on our website at www.norfolksouthern.com under "Invest in NS" "Investors" "Financial Reports" and "SEC Filings" or you may request copies by writing to:

Office of Corporate Secretary
Norfolk Southern Corporation
650 West Peachtree Street NW
Atlanta, Georgia 30308-1925

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Item 16. Form 10-K Summary

Not applicable.

POWER OF ATTORNEY

Each person whose signature appears on the next page under SIGNATURES hereby authorizes Nabanita C. Nag and Mark R. George, or any one of them, to execute in the name of each such person, and to file, any amendments to this report, and hereby appoints Nabanita C. Nag and Mark R. George, or any one of them, as attorneys-in-fact to sign on his her or her his behalf, individually and in each capacity stated below, and to file, any and all amendments to this report.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, Norfolk Southern Corporation has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on this 3rd 5th day of February, 2023, 2024.

/s/ Alan H. Shaw

By: Alan H. Shaw
(President and Chief Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on this 3rd 5th day of February, 2023, 2024, by the following persons on behalf of Norfolk Southern Corporation and in the capacities indicated.

Signature	Title
<u>/s/ Alan H. Shaw</u> (Alan H. Shaw)	President and Chief Executive Officer (Principal Executive Officer)
<u>/s/ Mark R. George</u> (Mark R. George)	Executive Vice President and Chief Financial Officer (Principal Financial Officer)
<u>/s/ Claiborne L. Moore</u> (Claiborne L. Moore)	Vice President and Controller (Principal Accounting Officer)
<u>/s/ Amy E. Miles</u> (Amy E. Miles)	Independent Chair and Director
<u>/s/ Thomas D. Bell, Jr.</u> (Thomas D. Bell, Jr.)	Director
<u>/s/ Mitchell E. Daniels, Jr.</u> (Mitchell E. Daniels, Jr.)	Director
<u>/s/ Philip S. Davidson</u> (Philip S. Davidson)	Director
<u>/s/ Francesca A. DeBiase</u> (Francesca A. DeBiase)	Director
<u>/s/ Marcela E. Donadio</u> (Marcela E. Donadio)	Director
<u>/s/ John C. Huffard, Jr.</u> (John C. Huffard, Jr.)	Director
<u>/s/ Christopher T. Jones</u> (Christopher T. Jones)	Director
<u>/s/ Thomas C. Kelleher</u> (Thomas C. Kelleher)	Director
<u>/s/ Steven F. Leer</u> (Steven F. Leer)	Director
<u>/s/ Michael D. Lockhart</u> (Michael D. Lockhart)	Director
<u>/s/ Claude Mongeau</u> (Claude Mongeau)	Director
<u>/s/ Jennifer F. Scanlon</u> (Jennifer F. Scanlon)	Director
<u>/s/ James A. Squires</u> (James A. Squires)	Director
<u>/s/ John R. Thompson</u> (John R. Thompson)	Director

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Schedule II

Norfolk Southern Corporation and Subsidiaries

Valuation and Qualifying Accounts

Years ended December 31, 2022 December 31, 2023, 2021, 2022, and 2020 2021

(\$ in millions)

	Additions charged to:					Beginning Balance	Additions charged to:			
	Beginning Balance		Other Expenses		Ending		Beginning Balance	Other Expenses	Ending	
	Beginning Balance	Other Expenses	Accounts	Deductions	Balance		Balance	Accounts	Deductions	Balance
Year ended December 31, 2022										
Year ended December 31, 2023										
Year ended December 31, 2023										
Year ended December 31, 2023										
Current portion of casualty and										
Current portion of casualty and										
Current portion of casualty and	Current portion of casualty and									
other claims included in	other claims included in									
other claims included in	other claims included in									
accounts payable	accounts payable	\$ 166	\$ 43	\$ 88	\$ 127	\$ 170				
accounts payable	accounts payable	(2)		(3)						
Casualty and other claims	Casualty and other claims									
included in other liabilities	included in other liabilities									
included in other liabilities	included in other liabilities	(1)		(4)						
liabilities	liabilities	170	147	—	99	218				
included in other liabilities										
included in other liabilities										
Year ended December 31, 2021										
Year ended December 31, 2022										
Year ended December 31, 2022										

Year ended								
December 31, 2022								
Current portion of								
casualty and								
Current portion of								
casualty and								
Current portion of	Current							
casualty	portion of							
and	casualty							
other	and							
claims	other							
included	claims							
in	included							
in	in							
other claims								
included in								
other claims								
included in								
accounts payable								
accounts payable	accounts							
payable	payable	\$	182	\$	20	\$	80	\$
			(2)				(3)	
Casualty	Casualty							
and other	and other							
claims	claims							
included	included							
in other	in other							
liabilities	liabilities		169		77		—	
			(4)					
included in other								
liabilities								
included in other								
liabilities								
Year ended								
December 31, 2020								
Year ended								
December 31, 2021								
Year ended								
December 31, 2021								
Year ended								
December 31, 2021								
Current portion of								
casualty and								
Current portion of								
casualty and								
Current portion of	Current							
casualty	portion of							
and	casualty							
other	and							
claims	other							
included	claims							
in	included							
in	in							
other claims								
included in								

other claims included in accounts payable accounts payable							
accounts payable	accounts payable	\$ 212	\$ 27	\$ 81	\$ 138	\$ 182	
Casualty and other claims	Casualty and other claims						
included in other liabilities	included in other liabilities	(1)		(4)			
		171	80	—	82	169	
included in other liabilities							
included in other liabilities							

(1) Includes adjustments for changes in estimates for prior years' claims.

(2) Includes revenue refunds and overcharges provided through deductions from operating revenues and transfers from other accounts.

(3) Payments and reclassifications to/from accounts payable.

(4) Payments and reclassifications to/from other liabilities.

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Exhibit 10 (ff)

(hh)

**Norfolk Southern Corporation Long-Term Incentive Plan
Award Agreement**

Non-Qualified Stock Option

This AGREEMENT dated as of /\$GrantDate\$/ (Award Date), between NORFOLK SOUTHERN CORPORATION (Corporation), a Virginia corporation, and /\$ParticipantName\$/ (Participant), Employee ID No. /\$UserText1\$/.

1. Award Contingent Upon Execution of this Agreement and of Non-Compete. This Award is contingent upon the Participant's execution of this Agreement and the associated non-compete agreement (Non-Compete Agreement), which is a condition precedent to this Award. This Award shall be void, and the Participant shall not be entitled to any rights hereunder, unless the Participant executes this Agreement and the Non-Compete Agreement on or before /\$AcceptByDate\$/ , and thereafter fully complies with their terms. The Participant will be paid the first Dividend Equivalent payable under Section 4 of this Agreement only if the Participant executes this Agreement and the Non-Compete Agreement on or before <Date_2> [] , 2024.

2. Terms of Plan Govern. The Award made hereunder is made pursuant to the Norfolk Southern Corporation Long-Term Incentive Plan (Plan), all the terms and conditions of which are deemed to be incorporated in this Agreement and which forms a part of this Agreement. The Participant agrees to be bound by all the terms and conditions of the Plan and this agreement, and by all determinations of the Committee thereunder. Capitalized terms used in this Agreement but not defined herein shall have the same meanings as in the Plan.

3. Award of Non-Qualified Stock Option. The Corporation hereby grants to the Participant on Award Date a Non-Qualified Stock Option (NQSO) to purchase /\$AwardsGranted\$/ shares of the Corporation's Common Stock at a price of /\$GrantPrice\$/ per share. However, if the Participant's employment is terminated by reason of the Retirement of the Participant before December 31, <Year_of_Grant> December 31, 2024, then a portion of this Option shall be forfeited immediately. The portion to be forfeited under this paragraph will be determined by dividing the number of shares subject to this NQSO by 12, multiplying the result by the number of full months in which the Participant was not employed by the Corporation during <Year_of_Grant>, 2024, and then rounding to the nearest whole share.

(a) Duration of Option. This Option (to the extent not earlier exercised) will expire at 11:59 p.m. on /\$ExpirationDate\$/ , being ten years from the Award Date. However, this Option is subject to earlier termination if the Participant's employment with the Corporation or a Subsidiary Company is terminated for a reason other than Disability or death, as follows: (i) if the Participant's employment is terminated because of the Participant's Retirement, the Option shall expire on the earlier of 11:59 p.m. on /\$ExpirationDate\$/ , or 11:59 p.m. on the date that is five years after date of the Participant's Retirement; (ii) if the Participant's employment is terminated for a "Qualifying Termination" (as defined under the

Norfolk Southern Executive Severance Plan), the Option shall expire at the close of business on the last day of active service by the Participant with the Corporation or a Subsidiary Company, or (ii) if the Participant's employment is terminated for any reason other than Retirement or a Qualifying Termination (as defined under the Norfolk Southern Executive Severance Plan), the Option shall expire 30 days after the last day of active service by the Participant with the Corporation or a Subsidiary Company. If the Participant is granted a leave of absence and his or her employment with the Corporation or a Subsidiary Company terminates at any time during or at the end of the leave of absence, the Option grant shall expire at the close of business 30 days after the Participant's last day of employment with the Corporation or a Subsidiary Company.

Notwithstanding the foregoing, if the Participant Engages in Competing Employment within a period of two years following Retirement or Disability, the term of this Option shall terminate immediately, and all rights of the Participant to such Options shall terminate immediately without further obligation on the part of the Corporation or any Subsidiary Company. A Participant "Engages in Competing Employment" if the Participant, in any state in which the Corporation provided rail services during Participant's employment with the Corporation, works for or provides the same or similar services Participant provided on behalf of the Corporation for any Competitor. For this purpose, a "Competitor" is any entity in the same line of business as the Corporation in North American markets in which the Corporation competes, including, but not limited to, any North American Class I rail carrier, any other rail carrier competing with the Corporation (including without limitation a holding or other company that controls or operates or is otherwise affiliated with any rail carrier competing with the Corporation), and any other provider of transportation services competing with Corporation, including motor and water carriers.

In addition, notwithstanding the foregoing, the term of this Option shall terminate immediately, and all rights of the Participant to such Options shall terminate immediately without further

obligation on the part of the Corporation or any Subsidiary Company, if:

- i. the Participant's employment is terminated by reason of the Retirement or Disability of the Participant, and
- ii. it is determined that the Participant engaged in any of the following:
 - A. the Participant engaged in an act of fraud, embezzlement, or theft in connection with the Participant's duties or in the course of the Participant's employment with the Corporation or Subsidiary Company; or
 - B. the Participant disclosed confidential information in violation of a confidentiality agreement with the Corporation or a Subsidiary Company, otherwise in violation of the law.

A determination under this paragraph shall be made by the Committee with respect to a participant who was, at any time, employed at the level of Vice President or above, and this determination shall be made by the Vice President Human Resources with respect to all other participants, and in either situation upon consultation with the Corporation's chief legal officer.

Participant understands that nothing in this Agreement (1) prohibits or impedes Participant from reporting possible violations of federal law or regulation to any governmental agency or entity (including but not limited to the Department of Justice, the Securities and Exchange Commission (SEC), the Congress, and any agency Inspector General), from making other disclosures that are protected under the whistleblower provisions of federal law or regulation, or from receiving a monetary award from the SEC related to participation in an SEC investigation or proceeding, or (2) requires Participant to obtain prior authorization of the Corporation to make any such reports or disclosures or to notify the Corporation of such reports or disclosures.

(b) Vesting and Exercise of Option. Once vested, this Option may be exercised in whole or in part at any time or times prior to its expiration. Except in the case of Retirement or death, one-quarter of the Options will vest and become exercisable in installments over four years from the Award Date on each annual anniversary of the Award Date. Notwithstanding the foregoing, if the Participant's employment with the Corporation or a Subsidiary Company is terminated by reason of the Participant's Retirement or death before the fourth anniversary of the Award Date, the Participant (or, in the case of death, the Participant's Beneficiary) may first exercise this Option on the later of the first anniversary of the Award Date or the effective date of the Participant's Retirement or death. Notice of the exercise of all or any part of this Option shall be given in the manner prescribed by the Secretary of the Corporation. Such notice shall be irrevocable, shall specify the number of shares to be purchased and the purchase price to be paid therefore, and must be accompanied by the payment of the purchase price as provided in paragraph 3(c) herein. Upon the exercise of such Option, the Common Stock purchased will be distributed.

(c) Payment of Option Price. The purchase price of Common Stock upon exercise of this Option shall be paid in full to the Corporation at the time of the exercise of the Option in cash or by the surrender to the Corporation of shares of previously acquired Common Stock which shall have been held by the Participant for at least six months and which shall be valued at Fair Market Value on the date the Option is exercised, or by a combination of cash and such Common Stock.

(d) Nontransferability. This Option may be exercised during the lifetime of the Participant only by the Participant, and following death only by the Participant's Beneficiary. If a Beneficiary dies after the Participant dies but before the Option is exercised and before such rights expire, such rights shall become assets of the Beneficiary's

estate. Except as provided in this paragraph, Options may not be assigned or alienated, whether voluntarily or involuntarily including, without limitation, under any domestic relations order, and any such attempted assignment or alienation shall be null, void, and of no effect.

4. **Dividend Equivalent Payments.** Except as otherwise provided herein, the Corporation shall make to the Participant who holds an unvested Option under this Agreement on the declared record date a cash payment on the outstanding unvested shares of Common Stock covered by this Option, in an amount equal to dividends declared by the Board of Directors of the Corporation and paid on Common Stock. If the employment of the Participant is terminated for any reason, including Retirement, Disability, or death, prior to the declared record date for any dividend, the Corporation shall have no further obligation to make any payments commensurate with dividends on shares of Common Stock covered by this Option. Each dividend equivalent shall be equal to the amount of the regular quarterly dividend, and payable on or about the date on which the Corporation pays the regular quarterly dividend on its Common Stock in accordance with the Corporation's normal dividend payment practice as may be determined by the Committee, in its sole discretion. Dividend equivalent payments shall not be made during a Participant's leave of absence.

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5. **Savings Clause for Rules of Professional Responsibility.** Nothing contained in this Agreement will operate or be construed to restrict a lawyer in the practice of law in contravention of Rule 5.6 of the Georgia Rules of Professional Conduct or a similar professional conduct rule applicable to a lawyer who is an active member of any other state bar.

6. **Recoupment.** The Participant acknowledges that the Corporation shall recover from any Participant who is a current or former executive officer all or any portion of any exercised Options to the extent required by Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act **Public Law No. 111-203**, or other applicable law, **applicable Corporation policy, and/or the requirements of an exchange on which as provided under the Corporation's shares are listed for trading, in each case, supplemental clawback policy**, as may be in effect from time to time.

7. **Governing Law.** The Participant agrees that this Award shall be governed by and interpreted in accordance with the laws of the State of Georgia without regard to Georgia's choice of law rules. The Participant consents to the personal jurisdiction of the federal and/or state courts serving the State of Georgia and waives any defenses of forum non conveniens. The Participant agrees that any and all initial judicial actions related to this Award shall only be brought in the United States District Court for the Northern District of Georgia, Atlanta Division, or the Georgia State-wide Business Court, regardless of the place of Participant's residence or work location at the time of such action.

IN WITNESS WHEREOF, the Corporation has caused this Agreement to be executed by its duly authorized officer, and the Participant has executed this Agreement by his or her electronic acceptance hereof, in acceptance of the above-mentioned Award, subject to the terms of the Plan and of this Agreement, all as of the day and year first above written.

By:

NORFOLK SOUTHERN CORPORATION

Continued on next page

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**<Year>2024 Non-Compete Agreement
Associated With Award Agreement Under
The Norfolk Southern Corporation Long-Term Incentive Plan**

THIS AGREEMENT (the "Agreement") is executed by and between **/\$ParticipantName\$/** ("Employee") and Norfolk Southern Corporation ("NS" or "Corporation"). Employee has received this Agreement in conjunction with an award agreement under the Norfolk Southern Corporation Long-Term Incentive Plan ("LTIP" or "Plan"). The term NS or Corporation includes NS' subsidiaries and affiliated companies including, but not limited to, Norfolk Southern Railway Corporation and its rail subsidiaries.

WHEREAS, Employee is a participant in the LTIP and is eligible to receive an award under such Plan, subject to certain terms and conditions of that Plan; and

WHEREAS, execution of this Agreement is a condition precedent to Employee's receipt of an award under the LTIP; and

WHEREAS, Employee acknowledges that he or she has been afforded at least 14 days to review the Agreement, and that he or she has been advised to consult with an attorney before signing this Agreement; and

WHEREAS, Employee is willing to enter into this Agreement and deliver same to NS to satisfy that condition in order to receive an award under the LTIP.

NOW THEREFORE the parties hereto do hereby covenant and agree as follows:

1. NS agrees that, upon Employee executing this Agreement, Employee will be provided an award under the LTIP on the terms and conditions set forth in an Award Agreement and will continue to receive confidential NS business and operational information as required by the duties of his or her position.
2. Employee agrees that the LTIP award is consideration for entering into this Agreement and that in consideration of the award Employee will abide by the covenants and obligations contained in this Agreement.
3. Employee agrees that (i) during the term of his or her employment, and (ii) for a period of one (1) year thereafter (irrespective of the reason for such separation, whether voluntary or involuntary) (the "Restricted Period"), Employee will not, within the Territory, on his or her own behalf or in the service of or on behalf of others, work for or provide services to any Competitor of the Corporation wherein Employee would be performing or providing the same or similar services that Employee provided or performed on behalf of the Corporation. The term "Competitor" means any North American Class I rail carrier (including, without limitation, a holding or other company that controls or operates, or is controlled by or under common control with, any North American Class I rail carrier). The term "Territory" means every state in which NS provided rail services during the last two years of Employee's employment with NS.
4. Unless done on behalf of NS, during the Restricted Period, Employee shall not solicit, recruit, entice, or persuade any current employee of the Corporation located within the Territory, and with whom Employee had contact, to leave the employment of the Corporation in order to work for or provide services for any company other than the Corporation.
5. Unless done on behalf of NS, during the Restricted Period, Employee shall not solicit, contact, attempt to divert, or appropriate any customer or account of the Corporation with which Employee had Material Contact, for the purpose of "providing the same or similar services as provided by the Corporation" to that customer or account. The phrase "providing the same or similar services as provided by the Corporation" means being in the same or closely related line of business as the Corporation for or on behalf of a competitor of the Corporation. "Material Contact" means contact between Employee and a customer or account: (1) with whom or which Employee dealt on behalf of the Corporation; (2) whose dealings with the Corporation were coordinated or supervised by Employee; (3) about whom Employee obtained "confidential or proprietary information" in the ordinary course of business as a result of Employee's association with the Corporation; or (4) who receives products or services authorized by the Corporation, the sale or provision of which results or resulted in compensation, commissions, or earnings for the Corporation within two (2) years prior to the date of Employee's termination.

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6. Unless done on behalf of NS, during the Restricted Period, and within the Territory, Employee shall not provide services to any customer or account of the Corporation with which Employee had Material Contact, for the purpose of "providing the same or similar services as provided by the Corporation" to that customer or account.

Nothing contained in the above paragraphs will operate or be construed to restrict a lawyer in the practice of law in contravention of Rule 5.6 of the Georgia Rules of Professional Conduct or a similar professional conduct rule applicable to a lawyer who is an active member of any other state bar.

7. Employee covenants and agrees that any confidential or proprietary information acquired by him or her during his or her employment with the Corporation (including information of or concerning a customer of the Corporation) is the exclusive property of the Corporation, and Employee acknowledges that he or she has no ownership interest or right of any kind to said property. Except as otherwise required by law, Employee agrees that during his or her employment with the Corporation and after the termination of that employment, and irrespective of the reason for such separation, whether voluntary or involuntary, he or she will not, either directly or indirectly, use, access, disclose, or divulge to any unauthorized party, for his or her own benefit or to the detriment of the Corporation, any confidential or proprietary information of the Corporation which he or she may have acquired or been provided during his or her employment with the Corporation, whether or not developed or compiled by the Employee, and whether or not Employee was authorized to have access to such information. Nothing herein shall affect Employee's obligations as set forth in the award agreement between Employee and the Corporation.

For the purposes of the above, the term "confidential or proprietary information" includes, without limitation, the identity of or other facts relating to the Corporation, its customers and accounts, its marketing strategies, financial data, trade secrets, other intellectual property, or any other information acquired by the Employee as a result of his or her employment with the Corporation such that if such information were disclosed, such disclosure could act to the prejudice of the Corporation. The term "confidential or proprietary information" does not include information that has become generally available to the public by the act of one who has the right to disclose such information without violating any right of the Corporation. The term "unauthorized party" means any firm, entity (including governmental entities), or person (whether outsiders or employees of the Corporation), who is not specifically authorized by the Corporation to receive such confidential or proprietary information.

Employee agrees that if he or she believes that he or she is required by law or otherwise to reveal any confidential or proprietary information of the Corporation, he or she or his or her attorney, except as otherwise prohibited by law, will promptly contact NS's Law Department prior to disclosing such information in order that the Corporation can take appropriate steps to safeguard the disclosure of such confidential and proprietary information.

Nothing in this paragraph or Agreement should be construed, either expressly or by implication, as limiting the maximum protections which may be available to the Corporation under appropriate state and federal common law or statute concerning the obligations and duties of the Employee to protect the Corporation's property and/or confidential and proprietary information, including, but not limited to, under the federal Uniform Trade Secrets Act, the Defend Trade Secrets Act, the Virginia Uniform Trade Secrets Acts, or the Georgia Trade Secrets Act. Employee also acknowledges his or her duty to refrain from any action which would harm or have the potential to harm the Corporation, or the Corporation's customers, including, but not limited to, breaching the fiduciary duties Employee owes the Corporation, both during the Employee's employment and after the termination of that employment.

Employee understands that nothing in this Agreement (1) prohibits or impedes Employee from reporting possible violations of federal law or regulation to any governmental agency or entity (including but not limited to the Department of Justice, the Securities and Exchange Commission (SEC), the Congress, and any agency Inspector General), from making other disclosures that are protected under the whistleblower provisions of federal law or regulation, or from receiving a monetary award from the SEC related to participation in an SEC investigation or proceeding, or (2) requires Employee to obtain prior authorization of the Corporation to make any such reports or disclosures or to notify the Corporation of such reports or disclosures.

Pursuant to 18 USC § 1833(b), an individual may not be held criminally or civilly liable under any federal or state trade secret law for disclosure of a trade secret: (i) made in confidence to a government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law; and/or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Additionally, an individual suing an employer for retaliation based on the reporting of a suspected violation of law may disclose a trade secret to his or

her attorney and use the trade secret information in the court proceeding, so long as any document containing the trade secret is filed under seal and the individual does not disclose the trade secret except pursuant to court order.

8. If Employee breaches any portion of this Agreement, Employee agrees that: (a) the Corporation would suffer irreparable harm; (b) it would be difficult to determine damages, and money damages alone would be an inadequate remedy for the injuries suffered by the Corporation; and (c) if the Corporation seeks injunctive relief to enforce this Agreement, Employee shall waive and shall not (i) assert any defense that the Corporation has an adequate remedy at law with respect to the breach, (ii) require that the Corporation submit proof of the economic value of any confidential or proprietary information, or (iii) require the Corporation to post a bond or any other security. Accordingly, in the event of a breach or a threatened breach by Employee of this Agreement, the Corporation shall be entitled to an injunction in a court of law restraining Employee from such breach or threatened breach, as well as recovery of its costs and reasonable attorneys' fees. Nothing herein shall be construed as prohibiting the Corporation from pursuing any other remedies available to it for such breach or threatened breach including the recovery of damages from Employee.

9. The parties agree that this Agreement shall be governed by and interpreted in accordance with the laws of the State of Georgia without regard to Georgia's choice of law rules. Employee consents to the personal jurisdiction of the federal and/or state courts serving the State of Georgia and waives any defenses of forum non conveniens. The parties agree that any and all judicial actions instituted under this Agreement or relating to its enforceability shall only be brought in the United States District Court for the Northern District of Georgia, Atlanta Division, the Georgia State-wide Business Court or Fulton County Superior Court, regardless of the place of Employee's residence or work location at the time of such action.

10. Each provision and sub-provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision or sub-provision of this Agreement shall be adjudged to be invalid under applicable law, the remainder of the Agreement is severable and shall continue in full force and effect. Should a court of competent jurisdiction declare any of the provisions of this Agreement invalid or unenforceable, the parties acknowledge and agree that the court may revise or reconstruct such invalid or unenforceable provisions to better effectuate the parties' intent to reasonably restrict the activity of the Employee to the greatest extent afforded by law and needed to protect the business interests of the Corporation.

11. Employee understands and agrees that nothing in this Agreement creates a contract of employment for any specific duration. The obligations contained in this Agreement shall survive the termination of the Employee's employment with the Corporation, however caused, and irrespective of the existence of any claim or cause of action by the Employee against the Corporation.

12. This Agreement is effective as of the date of the Employee's electronic acceptance of both this Agreement and the corresponding Award Agreement(s) under LTIP. The terms of this Agreement (and all associated remedial provisions of this Agreement) shall continue until cancelled by a subsequent written agreement between the parties.

**Norfolk Southern Corporation Long-Term Incentive Plan
Award Agreement**

Restricted Stock Units

This AGREEMENT dated as of /\$GrantDate\$/ (Award Date), between NORFOLK SOUTHERN CORPORATION (Corporation), a Virginia corporation, and /\$ParticipantName\$/ (Participant), Employee ID No. /\$UserText1\$/.

1. **Award Contingent Upon Execution of this Agreement and of Non-Compete.** This Award is contingent upon the Participant's execution of this Agreement and the associated non-compete agreement (Non-Compete Agreement), which is a condition precedent to this Award. This Award shall be void, and the Participant shall not be entitled to any rights hereunder, unless the Participant executes this Agreement and the Non-Compete Agreement on or before /\$AcceptByDate\$/; and thereafter fully complies with their terms. The Participant will be paid the first Dividend Equivalent payable under Section 4 of this Agreement only if the Participant executes this Agreement and the Non-Compete Agreement on or before <Date_2> [], 2024.

2. **Terms of Plan Govern.** The Award made hereunder is made pursuant to the Norfolk Southern Corporation Long-Term Incentive Plan (Plan), all the terms and conditions of which are deemed to be incorporated in this Agreement and which forms a part of this Agreement. The Participant agrees to be bound by all the terms and provisions of the Plan and this Agreement, and by all determinations of the Committee thereunder. Capitalized terms used in this Agreement but not defined herein shall have the same meanings as in the Plan.

3. **Award of Restricted Stock Units.** The Corporation hereby grants to the Participant on Award Date /\$AwardsGranted\$/ Restricted Stock Units. Each Restricted Stock Unit is a contingent right to receive a Restricted Stock Unit Share, subject to the restrictions and other terms and conditions set forth in the Plan and this Agreement. Each Restricted Stock Unit shall equal the Fair Market Value of one share of the Common Stock of the Corporation on the date all applicable restrictions lapse.

The Participant's Award of Restricted Stock Units shall be recorded in a memorandum account. The Participant shall have no beneficial ownership interest in the Common Stock of the Corporation represented by the Restricted Stock Units awarded. The Participant shall have no right to vote the Common Stock represented by the Restricted Stock Units awarded or to receive dividends, except for Dividend Equivalent payments as set forth below.

(a) **Restriction Periods.** The Restricted Stock Units are subject to Restriction Periods. The Restriction Periods for ratable portions of the Restricted Stock Units shall terminate over four years from the Award Date on each annual anniversary of the Award Date or, if Corporation's Common Stock is not traded on any such anniversary date, on the next preceding date on which the Corporation's Common Stock is traded. If the termination of a Restriction Period will result in a fractional share, then the amount shall be rounded down to the nearest whole share and the Restriction Period for all fractional shares shall terminate upon the expiration of the last Restriction Period for the Award.

(b) **Restrictions.** Until the expiration of the Restriction Period or the lapse of restrictions in the manner provided in paragraph 3(c) of this Agreement, Restricted Stock Units shall be subject to the following restrictions:

- i. the Participant shall not be entitled to receive the Restricted Stock Unit Shares which the Participant may have a contingent right to receive in the future;
- ii. the Restricted Stock Units may not be sold, transferred, assigned, pledged, conveyed, hypothecated, used to exercise options, or otherwise disposed of; and
- iii. the Restricted Stock Units may be forfeited immediately as provided in this Agreement and in the Plan.

(c) **Forfeiture of Restricted Stock Units.**

i. If the Participant's employment is terminated by reason of the Retirement of the Participant before December 31, <Year_of_Grant> December 31, 2024, then a portion of the Restricted Stock Units shall be forfeited immediately and all rights of the Participant to such Units shall terminate immediately without further obligation on the part of the Corporation or any Subsidiary Company. The portion to be forfeited under this paragraph will be determined by dividing the number of Restricted Stock Units granted under Section 3(a)

Section 3(a) by 12, multiplying the result by the number of full months in which the Participant was not employed by the Corporation during <Year_of_Grant>, 2024, and then rounding to the nearest whole number.

ii. If the Participant's employment is terminated for any reason other than Retirement, Disability, or death, any Restricted Stock Units that are subject to a Restriction Period shall be forfeited immediately without further obligation on the part of the Corporation or any Subsidiary Company, and all rights of the Participant with respect to such

Restricted Stock Units shall terminate. If the Participant is granted a leave of absence before the expiration of the Restriction Period, the Participant shall not forfeit any rights with respect to any Restricted Stock Units subject to the Restriction Period, except for Dividend Equivalent Payments as provided in Section 4 of this Agreement, unless the Participant's employment with the Corporation or a Subsidiary Company terminates at any time during or at the end of the leave of absence and before the expiration of the Restriction Period, at which time all rights of the Participant with respect to such Restricted Stock Units shall terminate without further obligation on the part of the Corporation or any Subsidiary Company.

iii. Notwithstanding any provision of this Agreement to the contrary, if the Participant's employment is terminated by reason of the Retirement or Disability of the Participant, and the Participant Engages in Competing Employment within a period of two years following Retirement or Disability, and before the expiration of the Restriction Period, then any Restricted Stock Units subject to a Restriction Period shall be forfeited immediately and all rights of the Participant to such Units shall terminate without further obligation on the part of the Corporation or any Subsidiary Company.

A Participant "Engages in Competing Employment" if the Participant, in any state in which the Corporation provided rail services during Participant's employment with the Corporation, works for or provides the same or similar services Participant provided on behalf of the Corporation for any Competitor. For this purpose, a "Competitor" is any entity in the same line of business as the Corporation in North American markets in which the Corporation competes, including, but not limited to, any North American Class I rail carrier, any other rail carrier competing with the Corporation (including without limitation a holding or other company that controls or operates or is otherwise affiliated with any rail carrier competing with the Corporation), and any other provider of transportation services competing with Corporation, including motor and water carriers.

Moreover, notwithstanding any provision of this Agreement to the contrary, the Restricted Stock Units shall be forfeited immediately and all rights of the Participant to such Units shall terminate if:

- A. the Participant's employment is terminated by reason of the Retirement or Disability of the Participant before the expiration of the Restriction Period, and
- B. it is determined that the Participant engaged in any of the following:
 1. the Participant engaged in an act of fraud, embezzlement, or theft in connection with the Participant's duties or in the course of the Participant's employment with the Corporation or Subsidiary Company; or
 2. the Participant disclosed confidential information in violation of a confidentiality agreement with the Corporation or a Subsidiary Company, or otherwise in violation of the law.

A determination under this paragraph shall be made by the Committee with respect to a participant who was, at any time, employed at the level of Vice President or above, and this determination shall be made by the Vice President Human Resources with respect to all other participants, and in either situation upon consultation with the Corporation's chief legal officer.

Participant understands that nothing in this Agreement (1) prohibits or impedes Participant from reporting possible violations of federal law or regulation to any governmental agency or entity (including but not limited to the Department of Justice, the Securities and Exchange Commission (SEC), the Congress, and any agency Inspector General), from making other disclosures that are protected under the whistleblower provisions of federal law or regulation, or from receiving a monetary award from the SEC related to participation in an SEC investigation or proceeding, or (2) requires Participant to obtain prior authorization of the Corporation to make any such reports or disclosures or to notify the Corporation of such reports or disclosures.

(d) Distribution of Restricted Stock Units.

i. Restricted Stock Units that are not forfeited as provided above shall vest upon the expiration of each Restriction Period. Notwithstanding the foregoing, (A) if the Participant dies after Retirement, then Restricted Stock Units that were not forfeited as provided in Section 3(c)(i) above shall vest upon the Participant's death, and the Restriction Periods on those Restricted Stock Units shall lapse

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immediately, and (B) if the Participant dies while employed by the Corporation, or the Participant dies after Disability, and before the entire Award has been distributed, then the Restricted Stock Units shall all

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vest upon the Participant's death, and all the Restriction Periods on the Restricted Stock Units shall lapse immediately.

ii. Upon each vesting and expiration of the Restriction Periods applicable to the Restricted Stock Units, a whole number of shares of Common Stock of the Corporation equal to the ratable number of Restricted Stock Units scheduled to vest on the date the applicable Restriction Period ended shall be distributed to the Participant or the Participant's

Beneficiary in the event of the Participant's death, subject to tax withholding as provided in Section 6 of this Agreement. At all times until the shares of Common Stock of the Corporation, if any, are actually issued in accordance with this Section, the Award remains an unfunded, unsecured promise to deliver shares in the future.

iii. The Committee, in its sole discretion, may waive any or all restrictions with respect to Restricted Stock Units. Notwithstanding any waiver, any delivery of Restricted Stock Units to the Participant may not be made earlier than delivery would have been made absent such waiver of restrictions.

4. **Dividend Equivalent Payments.** Except as otherwise provided herein, the Corporation shall make to a Participant who holds Restricted Stock Units on the declared record date a cash dividend equivalent payment on the number of shares of Common Stock represented by the Restricted Stock Units held by Participant on such record date. Each dividend equivalent shall be equal to the regular quarterly dividend declared by the Board of Directors of the Corporation and paid on Common Stock, and payable on or about the date on which the Corporation pays the regular quarterly dividend on its Common Stock in accordance with the Corporation's normal dividend payment practice as may be determined by the Committee, in its sole discretion. Dividend equivalent payments shall not be made during a Participant's leave of absence.

5. **Savings Clause for Rules of Professional Responsibility.** Nothing contained in this Agreement will operate or be construed to restrict a lawyer in the practice of law in contravention of Rule 5.6 of the Georgia Rules of Professional Conduct or a similar professional conduct rule applicable to a lawyer who is an active member of any other state bar.

6. **Tax Withholding.** The minimum necessary tax withholding obligation with respect to an award of Restricted Stock Units will be satisfied with shares of Common Stock of the Corporation based on the Fair Market Value of the Corporation's Common Stock on the expiration of the Restriction Period with respect to such Restricted Stock Units, regardless of when any such Common Stock is actually delivered to the Participant's account. Unless otherwise determined by the Corporation, the value of any fractional share amount created as a result of withholding will be added to the federal tax withholding amount.

7. **Nontransferability.** This Agreement and the RSUs granted to the Participant shall not be subject to any assignment, pledge, levy, garnishment, attachment, or other attempt to assign or alienate such shares prior to their delivery to Participant (or Participant's beneficiary), including, without limitation, under any domestic relations order, and any such attempted assignment or alienation shall be null, void, and of no effect.

8. **Recoupment.** The Participant acknowledges that the Corporation shall recover from any Participant all or any portion of any Restricted Stock Units awarded under this Agreement to the extent required by Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law, or as provided under the Corporation's supplemental clawback policy, as may be in effect from time to time.

9. **Governing Law.** The Participant agrees that this Award shall be governed by and interpreted in accordance with the laws of the State of Georgia without regard to Georgia's choice of law rules. The Participant consents to the personal jurisdiction of the federal and/or state courts serving the State of Georgia and waives any defenses of forum non conveniens. The Participant agrees that any and all initial judicial actions related to this Award shall only be brought in the United States District Court for the Northern District of Georgia, Atlanta Division, or the Georgia State-wide Business Court, regardless of the place of Participant's residence or work location at the time of such action.

IN WITNESS WHEREOF, the Corporation has caused this Agreement to be executed by its duly authorized officer, and the Participant has executed this Agreement by his or her electronic acceptance hereof, in acceptance of the above-mentioned Award, subject to the terms of the Plan and of this Agreement, all as of the day and year first above written.

By:

NORFOLK SOUTHERN CORPORATION

Continued on next page

**<Year>2024 Non-Compete Agreement
Associated With Award Agreement Under
The Norfolk Southern Corporation Long-Term Incentive Plan**

THIS AGREEMENT (the "Agreement") is executed by and between /\$ParticipantName\$/ ("Employee") and Norfolk Southern Corporation ("NS" or "Corporation"). Employee has received this Agreement in conjunction with an award agreement under the Norfolk Southern Corporation Long-Term Incentive Plan ("LTIP" or "Plan"). The term NS or Corporation includes NS' subsidiaries and affiliated companies including, but not limited to, Norfolk Southern Railway Corporation and its rail subsidiaries.

WHEREAS, Employee is a participant in the LTIP and is eligible to receive an award under such Plan, subject to certain terms and conditions of that Plan; and

WHEREAS, execution of this Agreement is a condition precedent to Employee's receipt of an award under the LTIP; and

WHEREAS, Employee acknowledges that he or she has been afforded at least 14 days to review the Agreement, and that he or she has been advised to consult with an attorney before signing this Agreement; and

WHEREAS, Employee is willing to enter into this Agreement and deliver same to NS to satisfy that condition in order to receive an award under the LTIP.

NOW THEREFORE the parties hereto do hereby covenant and agree as follows:

1. NS agrees that, upon Employee executing this Agreement, Employee will be provided an award under the LTIP on the terms and conditions set forth in an Award Agreement and will continue to receive confidential NS business and operational information as required by the duties of his or her position.
2. Employee agrees that the LTIP award is consideration for entering into this Agreement and that in consideration of the award Employee will abide by the covenants and obligations contained in this Agreement.
3. Employee agrees that (i) during the term of his or her employment, and (ii) for a period of one (1) year thereafter (irrespective of the reason for such separation, whether voluntary or involuntary) (the "Restricted Period"), Employee will not, within the Territory, on his or her own behalf or in the service of or on behalf of others, work for or provide services to any Competitor of the Corporation wherein Employee would be performing or providing the same or similar services that Employee provided or performed on behalf of the Corporation. The term "Competitor" means any North American Class I rail carrier (including, without limitation, a holding or other company that controls or operates, or is controlled by or under common control with, any North American Class I rail carrier). The term "Territory" means every state in which NS provided rail services during the last two years of Employee's employment with NS.
4. Unless done on behalf of NS, during the Restricted Period, Employee shall not solicit, recruit, entice, or persuade any current employee of the Corporation located within the Territory, and with whom Employee had contact, to leave the employment of the Corporation in order to work for or provide services for any company other than the Corporation.
5. Unless done on behalf of NS, during the Restricted Period, Employee shall not solicit, contact, attempt to divert, or appropriate any customer or account of the Corporation with which Employee had Material Contact, for the purpose of "providing the same or similar services as provided by the Corporation" to that customer or account. The phrase "providing the same or similar services as provided by the Corporation" means being in the same or closely related line of business as the Corporation for or on behalf of a competitor of the Corporation. "Material Contact" means contact between Employee and a customer or account: (1) with whom or which Employee dealt on behalf of the Corporation; (2) whose dealings with the Corporation were coordinated or supervised by Employee; (3) about whom Employee obtained "confidential or proprietary information" in the ordinary course of business as a result of Employee's association with the Corporation; or (4) who receives products or services authorized by the Corporation, the sale or provision of which results or resulted in

compensation, commissions, or earnings for the Corporation within two (2) years prior to the date of Employee's termination.

6. Unless done on behalf of NS, during the Restricted Period, and within the Territory, Employee shall not provide services to any customer or account of the Corporation with which Employee had Material Contact, for the purpose of "providing the same or similar services as provided by the Corporation" to that customer or account.

Nothing contained in the above paragraphs will operate or be construed to restrict a lawyer in the practice of law in contravention of Rule 5.6 of the Georgia Rules of Professional Conduct or a similar professional conduct rule applicable to a lawyer who is an active member of any other state bar.

7. Employee covenants and agrees that any confidential or proprietary information acquired by him or her during his or her employment with the Corporation (including information of or concerning a customer of the Corporation) is the exclusive property of the Corporation, and Employee acknowledges that he or she has no ownership interest or right of any kind to said property. Except as otherwise required by law, Employee agrees that during his or her employment with the Corporation and after the termination of that employment, and irrespective of the reason for such separation, whether voluntary or involuntary, he or she will not, either directly or indirectly, use, access, disclose, or divulge to any unauthorized party, for his or her own benefit or to the detriment of the Corporation, any confidential or proprietary information of the Corporation which he or she may have acquired or been provided during his or her employment with the Corporation, whether or not developed or compiled by the Employee, and whether or not Employee was authorized to have access to such information. Nothing herein shall affect Employee's obligations as set forth in the award agreement between Employee and the Corporation.

For the purposes of the above, the term "confidential or proprietary information" includes, without limitation, the identity of or other facts relating to the Corporation, its customers and accounts, its marketing strategies, financial data, trade secrets, other intellectual property, or any other information acquired by the Employee as a result of his or her employment with the Corporation such that if such information were disclosed, such disclosure could act to the prejudice of the Corporation. The term "confidential or proprietary information" does not include information that has become generally available to the public by the act of one who has the right to disclose such information without violating any right of the Corporation. The term "unauthorized party" means any firm, entity (including governmental entities), or person (whether outsiders or employees of the Corporation), who is not specifically authorized by the Corporation to receive such confidential or proprietary information.

Employee agrees that if he or she believes that he or she is required by law or otherwise to reveal any confidential or proprietary information of the Corporation, he or she or his or her attorney, except as otherwise prohibited by law, will promptly contact NS's Law Department prior to disclosing such information in order that the Corporation can take appropriate steps to safeguard the disclosure of such confidential and proprietary information.

Nothing in this paragraph or Agreement should be construed, either expressly or by implication, as limiting the maximum protections which may be available to the Corporation under appropriate state and federal common law or statute concerning the obligations and duties of the Employee to protect the Corporation's property and/or confidential and proprietary information, including, but not limited to, under the federal Uniform Trade Secrets Act, the Defend Trade Secrets Act, the Virginia Uniform Trade Secrets Acts, or the Georgia Trade Secrets Act. Employee also acknowledges his or her duty to refrain from any action which would harm or have the potential to harm the Corporation, or the Corporation's customers, including, but not limited to, breaching the fiduciary duties Employee owes the Corporation, both during the Employee's employment and after the termination of that employment.

Employee understands that nothing in this Agreement (1) prohibits or impedes Employee from reporting possible violations of federal law or regulation to any governmental agency or entity (including but not limited to the Department of Justice, the Securities and Exchange Commission (SEC), the Congress, and any agency Inspector General), from making other disclosures that are protected under the whistleblower provisions of federal law or regulation, or from receiving a monetary award from the SEC related to participation in an SEC investigation or proceeding, or (2) requires Employee to obtain prior authorization of the Corporation to make any such reports or disclosures or to notify the Corporation of such reports or disclosures.

Pursuant to 18 USC § 1833(b), an individual may not be held criminally or civilly liable under any federal or state trade secret law for disclosure of a trade secret: (i) made in confidence to a

government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law; and/or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Additionally, an individual suing an employer for retaliation based on the reporting of a suspected violation of law may disclose a trade secret to his or

her attorney and use the trade secret information in the court proceeding, so long as any document containing the trade secret is filed under seal and the individual does not disclose the trade secret except pursuant to court order.

8. If Employee breaches any portion of this Agreement, Employee agrees that: (a) the Corporation would suffer irreparable harm; (b) it would be difficult to determine damages, and money damages alone would be an inadequate remedy for the injuries suffered by the Corporation; and (c) if the Corporation seeks injunctive relief to enforce this Agreement, Employee shall waive and shall not (i) assert any defense that the Corporation has an adequate remedy at law with respect to the breach, (ii) require that the Corporation submit proof of the economic value of any confidential or proprietary information, or (iii) require the Corporation to post a bond or any other security. Accordingly, in the event of a breach or a threatened breach by Employee of this Agreement, the Corporation shall be entitled to an injunction in a court of law restraining Employee from such breach or threatened breach, as well as recovery of its costs and reasonable attorneys' fees. Nothing herein shall be construed as prohibiting the Corporation from pursuing any other remedies available to it for such breach or threatened breach including the recovery of damages from Employee.

9. The parties agree that this Agreement shall be governed by and interpreted in accordance with the laws of the State of Georgia without regard to Georgia's choice of law rules. Employee consents to the personal jurisdiction of the federal and/or state courts serving the State of Georgia and waives any defenses of forum non conveniens. The parties agree that any and all judicial actions instituted under this Agreement or relating to its enforceability shall only be brought in the United States District Court for the Northern District of Georgia, Atlanta Division, the Georgia State-wide Business Court or Fulton County Superior Court, regardless of the place of Employee's residence or work location at the time of such action.

10. Each provision and sub-provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision or sub-provision of this Agreement shall be adjudged to be invalid under applicable law, the remainder of the Agreement is severable and shall continue in full force and effect. Should a court of competent jurisdiction declare any of the provisions of this Agreement invalid or unenforceable, the parties acknowledge and agree that the court may revise or reconstruct such invalid or unenforceable provisions to better effectuate the parties' intent to reasonably restrict the activity of the Employee to the greatest extent afforded by law and needed to protect the business interests of the Corporation.

11. Employee understands and agrees that nothing in this Agreement creates a contract of employment for any specific duration. The obligations contained in this Agreement shall survive the termination of the Employee's employment with the Corporation, however caused, and irrespective of the existence of any claim or cause of action by the Employee against the Corporation.

12. This Agreement is effective as of the date of the Employee's electronic acceptance of both this Agreement and the corresponding Award Agreement(s) under LTIP. The terms of this Agreement (and all associated remedial provisions of this Agreement) shall continue until cancelled by a subsequent written agreement between the parties.

**Norfolk Southern Corporation Long-Term Incentive Plan
Award Agreement**

Performance Share Units

This AGREEMENT dated as of /\$GrantDate\$/ (Award Date), between NORFOLK SOUTHERN CORPORATION (Corporation), a Virginia corporation, and /\$ParticipantName\$/ (Participant), Employee ID No. /\$UserText1\$/.

1. **Award Contingent Upon Execution of this Agreement and of Non-Compete.** This Award is contingent upon the Participant's execution of this Agreement and the associated non-compete agreement (Non-Compete Agreement), which is a condition precedent to this Award. This Award shall be void, and the Participant shall not be entitled to any rights hereunder, unless the Participant executes this Agreement and the Non-Compete agreement on or before /\$AcceptByDate\$/ , and thereafter fully complies with their terms.

2. **Terms of Plan Govern.** The Award made hereunder is made pursuant to the Norfolk Southern Corporation Long-Term Incentive Plan (Plan), all the terms and conditions of which are deemed to be incorporated in this Agreement and which forms a part of this Agreement. The Participant agrees to be bound by all the terms and conditions of the Plan and this Agreement, and by all determinations of the Committee thereunder. Capitalized terms used in this Agreement but not defined herein shall have the same meanings as in the Plan.

3. **Award of Performance Share Units.** The Corporation hereby confirms an Award to the Participant on Award Date of /\$AwardsGranted\$/ Performance Share Units (PSUs). The award of PSUs shall entitle the Participant to receive shares of Common Stock of the Corporation upon the Corporation's achievement over a Performance Cycle of

performance goals established by the Committee at the time of grant for the selected Performance Criteria. The determination of whether the performance goals were achieved shall be a multi-step calculation, as follows, provided that the number of shares earned based on 3.(a) and 3.(b) may not exceed 200% of the number of PSUs stated above:

- (a) The initial Performance Criterion will be the average of the Corporation's annual after-tax returns on average invested capital for the three-year Performance Cycle.
- (b) The number of PSUs earned under (a) will be multiplied by a factor based on the Corporation's three-year revenue growth as compared to the three-year revenue growth of all publicly traded North American Class I railroads, during the three-year period beginning **December 31, <Year immediately preceding the Award** **December 31, 2023** (with revenues adjusted for any significant acquisitions, divestitures or other strategic transactions over the respective period), as set forth in the following table:

NS Three-Year Revenue Growth vs. Publicly Traded Class I Railroad Companies	Revenue Modifier
1st	1.5
2nd	1.25
≤3rd	No Adjustment

- (c) The final number of PSUs earned **based on 3.(a) and 3.(b)** will be determined by multiplying the number of PSUs earned **under based on 3.(a) and 3.(b)** by a total shareholder return factor based on the percentile ranking of the three-year total return to the Corporation's stockholders as compared to the total shareholder return (TSR) of the publicly traded stocks comprising the S&P 500 Industrials Index excluding the Corporation, determined as of the first trading day of **<Year_of_Award>, 2024**, as set forth in the following table, with linear interpolation for performance ranking between the levels listed in the table:

NS Three-Year TSR Percentile Rank vs. S&P 500 Industrials Index Companies	TSR Modifier
≥P75.0	1.25
P50.0	1.0
≤P25.0	0.75

For this purpose, three-year total return shall be measured using the average closing price per share of stock or equivalent on the New York Stock Exchange (or if unavailable, on another U.S. stock exchange) as determined during the 20 days on which stock is traded ending on and including **December 31, <Year preceding award date> December 31, 2023 and December 31, <3_years_after> December 31, 2026**, or, if a stock is not traded on **December 31, <3_years_after> December 31, 2026**, on the most recent trading day immediately preceding such date.

A company will be excluded from the ranking under (b) and/or (c) if it ceases to be publicly traded at any time during the three-year period as a result of the company's being acquired by another company or going private, but included and ranked at the bottom of the group if the company ceases to be publicly traded as a result of becoming subject to a bankruptcy, reorganization, or liquidation proceeding.

4. Forfeiture of Performance Share Units.

- (a) If the Participant's employment is terminated for any reason other than the Participant's Retirement, Disability, or death before the expiration of the Performance Cycle, then all PSUs awarded hereunder shall be forfeited immediately and all the Participant's rights to such shares shall terminate immediately without further obligation on the part of the Corporation or any Subsidiary Company.
- (b) If the Participant's employment is terminated by reason of the Participant's Retirement before **December 31, <Year_of_Grant> December 31, 2024**, then a portion of the PSUs will be forfeited immediately, with the portion forfeited determined by dividing the number of Performance Share Units granted under Section 3 by 12, multiplying the result

by the number of full months in which the Participant was not employed by the Corporation during **<Year_of_Grant> 2024**, and then rounding to the nearest whole number.

(c) If the Participant is granted a leave of absence before the end of the Performance Cycle, the Participant shall not forfeit rights with respect to any Performance Shares that were being earned during the Performance Cycle, unless the Participant's employment with the Corporation or a Subsidiary Company terminates at any time during or at the end of the leave of absence and before the end of the Performance Cycle, at which time the Participant shall forfeit all rights with respect to any Performance Shares that were being earned during the Performance Cycle.

(d) Notwithstanding any provision of this Agreement to the contrary, if the Participant's employment is terminated by reason of the Retirement or Disability of the Participant, and if the Participant Engages in Competing Employment within a period of two years following Retirement or Disability and before the end of the Performance Cycle, the Participant shall immediately forfeit all rights with respect to any Performance Shares that were being earned during the Performance Cycle without further obligation on the part of the Corporation or any Subsidiary Company.

A Participant "Engages in Competing Employment" if the Participant, in any state in which the Corporation provided rail services during Participant's employment with the Corporation, works for or provides the same or similar services Participant provided on behalf of the Corporation for any Competitor. For this purpose, a "Competitor" is any entity in the same line of business as the Corporation in North American markets in which the Corporation competes, including, but not limited to, any North American Class I rail carrier, any other rail carrier competing with the Corporation (including without limitation a holding or other company that controls or operates or is otherwise affiliated with any rail carrier competing with the Corporation), and any other provider of transportation services competing with Corporation, including motor and water carriers.

Moreover, notwithstanding the foregoing, the Participant shall immediately forfeit all rights with respect to any Performance Shares that were being earned during the Performance Cycle without further obligation on the part of the Corporation or any Subsidiary Company if:

- i. the Participant's employment is terminated by reason of the Retirement or Disability of the Participant before the expiration of the Performance Cycle, and
- ii. it is determined that the Participant engaged in any of the following:
 - A. the Participant engaged in an act of fraud, embezzlement, or theft in connection with the Participant's duties or in the course of the Participant's employment with the Corporation or Subsidiary Company; or

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- B. the Participant disclosed confidential information in violation of a confidentiality agreement with the Corporation or a Subsidiary Company, or otherwise in violation of the law.

A determination under this paragraph shall be made by the Committee with respect to a participant who was, at any time, employed at the level of Vice President or above, and this determination shall be made by the Vice President Human Resources with respect to all other participants, and in either situation upon consultation with the Corporation's chief legal officer.

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(e) Participant understands that nothing in this Agreement (1) prohibits or impedes Participant from reporting possible violations of federal law or regulation to any governmental agency or entity (including but not limited to the Department of Justice, the Securities and Exchange Commission (SEC), the Congress, and any agency Inspector General), from making other disclosures that are protected under the whistleblower provisions of federal law or regulation, or from receiving a monetary award from the SEC related to participation in an SEC investigation or proceeding, or (2) requires Participant to obtain prior authorization of the Corporation to make any such reports or disclosures or to notify the Corporation of such reports or disclosures.

5. Distribution of Performance Share Units.

Any PSUs earned at the end of the three-year Performance Cycle shall be distributed in whole shares of Common Stock of the Corporation, subject to tax withholding as provided in Section 7 of this Agreement, and unless otherwise determined by the Corporation any fractional share shall be added to the federal tax withholding amount. At all times until the shares of Common Stock of the Corporation, if any, are actually issued in accordance with this Section 5, the Award remains an unfunded, unsecured promise to deliver shares in the future.

Except as provided in Section 4, if a Participant's employment is terminated before the end of the Performance Cycle by reason of the Participant's Retirement after December 31, **<YearofGrant> December 31, 2024**, or by reason of the Participant's Disability or death, the Participant's rights with respect to any Performance Shares being earned during the Performance Cycle shall continue as if the Participant's employment had continued through the end of the Performance Cycle.

No dividend equivalent payments shall be made with respect to the award of PSUs hereunder.

6. **Savings Clause for Rules of Professional Responsibility.** Nothing contained in this Agreement will operate or be construed to restrict a lawyer in the practice of law in contravention of Rule 5.6 of the Georgia Rules of Professional Conduct or a similar professional conduct rule applicable to a lawyer who is an active member of any other state bar.

7. **Tax Withholding.** The minimum necessary tax withholding obligation with respect to an award of PSUs will be satisfied with shares of Common Stock of the Corporation based on the Fair Market Value of the Corporation's Common Stock on the first day on which such stock is traded after a full trading day has elapsed following the release of the Corporation's annual financial information for the last year of the Performance Cycle, regardless of when any such Common Stock is actually delivered to the Participant's account. Unless otherwise determined by the Corporation, the value of any fractional share amount created as a result of withholding will be added to the federal tax withholding amount.

8. **Nontransferability.** This Agreement and the PSUs granted to the Participant shall not be subject to any assignment, pledge, levy, garnishment, attachment, or other attempt to assign or alienate such shares prior to their delivery to Participant (or Participant's Beneficiary), including, without limitation, under any domestic relations order, and any such attempted assignment or alienation shall be null, void, and of no effect.

9. **Recoupment.** The Participant acknowledges that the Corporation shall recover from any Participant ~~who is a current or former executive officer~~ all or any portion of any PSUs awarded to the extent required by Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act ~~Public Law No. 111-203, or~~ other applicable law, ~~applicable Corporation policy, and/or the requirements of an exchange on which as provided under~~ the Corporation's shares are listed for trading, in each case, ~~mandatory or supplemental clawback policies as may be applicable to such Participant and in effect from time to time, time.~~ In addition, any Participant who at any time is a Board-elected officer at the level of Vice President or above agrees that he or she will, upon the demand of the Board of Directors, reimburse all or any portion of PSUs awarded if (a) financial results are restated due to the material noncompliance of the Corporation with any financial reporting requirement under the securities laws, (b) a lower PSU distribution would have been made to the officer based upon the restated financial results, and (c) the PSUs were distributed within the three-year period prior to the date the applicable restatement was disclosed. The Participant acknowledges and agrees that the Board of Directors or the Corporation may, without waiving any other legal remedy allowed by law, deduct the full amount of such repayment obligation from any amounts the Corporation then owes, or will in the future owe, to the Participant.

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Nothing in this Agreement shall waive the Committee's, Board of Directors', or Corporation's rights to take any such other action as the Committee, Board of Directors, or the Corporation may deem appropriate in view of all the facts surrounding the particular financial restatement.

10. **Governing Law.** The Participant agrees that this Award shall be governed by and interpreted in accordance with the laws of the State of Georgia without regard to Georgia's choice of law rules. The Participant consents to the personal jurisdiction of the federal and/or state courts serving the State of Georgia and waives any defenses of *forum non conveniens*. The Participant agrees that any and all initial

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judicial actions related to this Award shall only be brought in the United States District Court for the Northern District of Georgia, Atlanta Division, or the Georgia State-wide Business Court regardless of the place of Participant's residence or work location at the time of such action.

IN WITNESS WHEREOF, the Corporation has caused this Agreement to be executed by its duly authorized officer, and the Participant has executed this Agreement by his or her electronic acceptance hereof, in acceptance of the above-mentioned Award, subject to the terms of the Plan and of this Agreement, all as of the day and year first above written.

By:

NORFOLK SOUTHERN CORPORATION

Continued on next page

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<Year>2024 Non-Compete Agreement
Associated With Award Agreement Under
The Norfolk Southern Corporation Long-Term Incentive Plan

THIS AGREEMENT (the "Agreement") is executed by and between /\$ParticipantName\$/ ("Employee") and Norfolk Southern Corporation ("NS" or "Corporation"). Employee has received this Agreement in conjunction with an award agreement under the Norfolk Southern Corporation Long-Term Incentive Plan ("LTIP" or "Plan"). The term NS or Corporation includes NS' subsidiaries and affiliated companies including, but not limited to, Norfolk Southern Railway Corporation and its rail subsidiaries.

WHEREAS, Employee is a participant in the LTIP and is eligible to receive an award under such Plan, subject to certain terms and conditions of that Plan; and

WHEREAS, execution of this Agreement is a condition precedent to Employee's receipt of an award under the LTIP; and

WHEREAS, Employee acknowledges that he or she has been afforded at least 14 days to review the Agreement, and that he or she has been advised to consult with an attorney before signing this Agreement; and

WHEREAS, Employee is willing to enter into this Agreement and deliver same to NS to satisfy that condition in order to receive an award under the LTIP.

NOW THEREFORE the parties hereto do hereby covenant and agree as follows:

1. NS agrees that, upon Employee executing this Agreement, Employee will be provided an award under the LTIP on the terms and conditions set forth in an Award Agreement and will continue to receive confidential NS business and operational information as required by the duties of his or her position.
2. Employee agrees that the LTIP award is consideration for entering into this Agreement and that in consideration of the award Employee will abide by the covenants and obligations contained in this Agreement.
3. Employee agrees that (i) during the term of his or her employment, and (ii) for a period of one (1) year thereafter (irrespective of the reason for such separation, whether voluntary or involuntary) (the "Restricted Period"), Employee will not, within the Territory, on his or her own behalf or in the service of or on behalf of others, work for or provide services to any Competitor of the Corporation wherein Employee would be performing or providing the same or similar services that Employee provided or performed on behalf of the Corporation. The term "Competitor" means any North American Class I rail carrier (including, without limitation, a holding or other company that controls or operates, or is controlled by or under common control with, any North American Class I rail carrier). The term "Territory" means every state in which NS provided rail services during the last two years of Employee's employment with NS.
4. Unless done on behalf of NS, during the Restricted Period, Employee shall not solicit, recruit, entice, or persuade any current employee of the Corporation located within the Territory, and with whom Employee had contact, to leave the employment of the Corporation in order to work for or provide services for any company other than the Corporation.
5. Unless done on behalf of NS, during the Restricted Period, Employee shall not solicit, contact, attempt to divert, or appropriate any customer or account of the Corporation with which Employee had Material Contact, for the purpose of "providing the same or similar services as provided by the Corporation" to that customer or account. The phrase "providing the same or similar services as provided by the Corporation" means being in the same or closely related line of business as the Corporation for or on behalf of a competitor of the Corporation. "Material Contact" means contact between Employee and a customer or account: (1) with whom or which Employee dealt on behalf of the Corporation; (2) whose dealings with the Corporation were coordinated or supervised by Employee; (3) about whom Employee obtained "confidential or proprietary information" in the ordinary course of business as a result of Employee's association with the Corporation; or (4) who receives products or services authorized by the Corporation, the sale or provision of which results or resulted in

compensation, commissions, or earnings for the Corporation within two (2) years prior to the date of Employee's termination.

6. Unless done on behalf of NS, during the Restricted Period, and within the Territory, Employee shall not provide services to any customer or account of the Corporation with which Employee had Material Contact, for the purpose of "providing the same or similar services as provided by the Corporation" to that customer or account.

Nothing contained in the above paragraphs will operate or be construed to restrict a lawyer in the practice of law in contravention of Rule 5.6 of the Georgia Rules of Professional Conduct or a similar professional conduct rule applicable to a lawyer who is an active member of any other state bar.

7. Employee covenants and agrees that any confidential or proprietary information acquired by him or her during his or her employment with the Corporation (including information of or concerning a customer of the Corporation) is the exclusive property of the Corporation, and Employee acknowledges that he or she has no ownership interest or right of any kind to said property. Except as otherwise required by law, Employee agrees that during his or her employment with the Corporation and after the termination of that employment, and irrespective of the reason for such separation, whether voluntary or involuntary, he or she will not, either directly or indirectly, use, access, disclose, or divulge to any unauthorized party, for his or her own benefit or to the detriment of the Corporation, any confidential or proprietary information of the Corporation which he or she may have acquired or been provided during his or her employment with the Corporation, whether or not developed or compiled by the Employee, and whether or not Employee was authorized to have access to such information. Nothing herein shall affect Employee's obligations as set forth in the award agreement between Employee and the Corporation.

For the purposes of the above, the term "confidential or proprietary information" includes, without limitation, the identity of or other facts relating to the Corporation, its customers and accounts, its marketing strategies, financial data, trade secrets, other intellectual property, or any other information acquired by the Employee as a result of his or her employment with the Corporation such that if such information were disclosed, such disclosure could act to the prejudice of the Corporation. The term "confidential or proprietary information" does not include information that has become generally available to the public by the act of one who has the right to disclose such information without violating any right of the Corporation. The term "unauthorized party" means any firm, entity (including governmental entities), or person (whether outsiders or employees of the Corporation), who is not specifically authorized by the Corporation to receive such confidential or proprietary information.

Employee agrees that if he or she believes that he or she is required by law or otherwise to reveal any confidential or proprietary information of the Corporation, he or she or his or her attorney, except as otherwise prohibited by law, will promptly contact NS's Law Department prior to disclosing such information in order that the Corporation can take appropriate steps to safeguard the disclosure of such confidential and proprietary information.

Nothing in this paragraph or Agreement should be construed, either expressly or by implication, as limiting the maximum protections which may be available to the Corporation under appropriate state and federal common law or statute concerning the obligations and duties of the Employee to protect the Corporation's property and/or confidential and proprietary information, including, but not limited to, under the federal Uniform Trade Secrets Act, the Defend Trade Secrets Act, the Virginia Uniform Trade Secrets Acts, or the Georgia Trade Secrets Act. Employee also acknowledges his or her duty to refrain from any action which would harm or have the potential to harm the Corporation, or the Corporation's customers, including, but not limited to, breaching the fiduciary duties Employee owes the Corporation, both during the Employee's employment and after the termination of that employment.

Employee understands that nothing in this Agreement (1) prohibits or impedes Employee from reporting possible violations of federal law or regulation to any governmental agency or entity (including but not limited to the Department of Justice, the Securities and Exchange Commission (SEC), the Congress, and any agency Inspector General), from making other disclosures that are protected under the whistleblower provisions of federal law or regulation, or from receiving a monetary award from the SEC related to participation in an SEC investigation or proceeding, or (2) requires Employee to obtain prior authorization of the Corporation to make any such reports or disclosures or to notify the Corporation of such reports or disclosures.

Pursuant to 18 USC § 1833(b), an individual may not be held criminally or civilly liable under any federal or state trade secret law for disclosure of a trade secret: (i) made in confidence to a government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or

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investigating a suspected violation of law; and/or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Additionally, an individual suing an employer for retaliation based on the reporting of a suspected violation of law may disclose a trade secret to his or her attorney and use the trade secret information in the court proceeding, so long as any document containing the trade secret is filed under seal and the individual does not disclose the trade secret except pursuant to court order.

8. If Employee breaches any portion of this Agreement, Employee agrees that: (a) the Corporation would suffer irreparable harm; (b) it would be difficult to determine damages, and money damages alone would be an inadequate remedy for the injuries suffered by the Corporation; and (c) if the Corporation seeks injunctive relief to enforce this Agreement, Employee shall waive and shall not (i) assert any defense that the Corporation has an adequate remedy at law with respect to the breach, (ii) require that the Corporation submit proof of the economic value of any confidential or proprietary information, or (iii) require the Corporation to post a bond or any other security. Accordingly, in the event of a breach or a threatened breach by Employee of this Agreement, the Corporation shall be entitled to an injunction in a court of law restraining Employee from such breach or threatened breach, as well as recovery of its costs and reasonable attorneys' fees. Nothing herein shall be construed as prohibiting the Corporation from pursuing any other remedies available to it for such breach or threatened breach including the recovery of damages from Employee.

9. The parties agree that this Agreement shall be governed by and interpreted in accordance with the laws of the State of Georgia without regard to Georgia's choice of law rules. Employee consents to the personal jurisdiction of the federal and/or state courts serving the State of Georgia and waives any defenses of forum non conveniens. The parties agree that any and all judicial actions instituted under this Agreement or relating to its enforceability shall only be brought in the United States District Court for the Northern District of Georgia, Atlanta Division, the Georgia State-wide Business Court or Fulton County Superior Court, regardless of the place of Employee's residence or work location at the time of such action.

10. Each provision and sub-provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision or sub-provision of this Agreement shall be adjudged to be invalid under applicable law, the remainder of the Agreement is severable and shall continue in full force and effect. Should a court of competent jurisdiction declare any of the provisions of this Agreement invalid or unenforceable, the parties acknowledge and agree that the court may revise or reconstruct such invalid or unenforceable provisions to better effectuate the parties' intent to reasonably restrict the activity of the Employee to the greatest extent afforded by law and needed to protect the business interests of the Corporation.

11. Employee understands and agrees that nothing in this Agreement creates a contract of employment for any specific duration. The obligations contained in this Agreement shall survive the termination of the Employee's employment with the Corporation, however caused, and irrespective of the existence of any claim or cause of action by the Employee against the Corporation.

12. This Agreement is effective as of the date of the Employee's electronic acceptance of both this Agreement and the corresponding Award Agreement(s) under LTIP. The terms of this Agreement (and all associated remedial provisions of this Agreement) shall continue until cancelled by a subsequent written agreement between the parties.

NORFOLK SOUTHERN CORPORATION EXECUTIVE MANAGEMENT INCENTIVE PLAN

AS APPROVED BY SHAREHOLDERS MAY 14, 2015,

AS AMENDED EFFECTIVE MARCH 27, 2018, NOVEMBER 17, 2020, AND NOVEMBER 17, 2023

Section I. PURPOSE OF THE PLAN

It is the purpose of the Norfolk Southern Corporation Long-Term Executive Management Incentive Plan Form ("Plan") to enhance increased profitability for Norfolk Southern Corporation ("Corporation") by rewarding certain officers elected by the Board of Off-Cycle Award Agreement Directors of Norfolk Southern Corporation and its affiliates with a bonus for collectively striving to attain and surpass financial objectives.

Non-Qualified Stock Option Section II. ADMINISTRATION OF THE PLAN

The Human Capital Management and Compensation Committee or any other committee of the Board of Directors of Norfolk Southern Corporation which is authorized to determine bonus awards under the Plan ("Committee") shall administer and interpret this Plan and, from time to time, adopt such rules and regulations and make such recommendations to the Board of Directors concerning Plan changes as are deemed necessary to insure effective implementation of this Plan. It is intended that each member of the Committee qualify as an "independent director" under the rules of the New York Stock Exchange. No executive may simultaneously participate in more than one Norfolk Southern Corporation Incentive Group. An executive must reside in the United States or Canada in order to participate in the Plan.

Section III. ESTABLISHMENT OF PERFORMANCE STANDARDS

Not later than the first 90 days of an incentive year, the Committee shall establish:

- A. The Incentive Groups for the incentive year, which Groups shall consist of Board-elected officers at the level of Vice President and above (including other employees at or above compensation band level X3 or otherwise designated by the Committee),
- B. The bonus level for each Incentive Group for the incentive year, and
- C. The performance standard or standards for the Corporation for the incentive year, the outcome of which must be substantially uncertain at the time the standard or standards are established. The performance standards shall be based on one or more, or any combination, of the following criteria, selected by the Committee, which may be applied on an individual, corporate, department or division level, which may be measured on an absolute or relative basis, or established as a measure of growth: individual performance measures (including performance rating, goal achievement, demonstration of expected leadership behaviors or other behaviors); earnings measures (including net income, earnings per share, income from continuing operations, income before income

taxes, income from railway operations); return measures (including net income divided by total assets, return on shareholder equity, return on average invested capital); service measures (including

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Exhibit 10(r)

connection performance, train performance, plan adherence); cash flow measures (including operating cash flow, free cash flow); productivity measures (including total operating expense per thousand gross ton miles or revenue ton miles, total operating revenue per employee, total operating expense per employee, gross ton miles or revenue ton miles per employee, carloads per employee, revenue ton miles per mile of road operated, total operating expense per carload, revenue ton miles per carload, gross ton miles or revenue ton miles per train hour, percent of loaded-to-total car miles, network performance); fair market value of shares of the Corporation's Common Stock; revenue measures; expense measures; operating ratio measures; customer satisfaction measures; working capital measures; cost control measures; economic value added measures; safety measures; or such other criteria as the Committee may establish or determine from time to time. If the Committee establishes performance standards using more than one of the aforesaid business criteria, the Committee shall assign a weighting percentage to each business criterion or combination thereof; the sum of the weighting percentages shall equal 100%.

The Committee may establish performance standards solely with respect to the Corporation's performance without regard to the performance of other Corporations or indices, or by comparison of the Corporation's performance to the performance of a published or special index deemed applicable by the Committee including, but not limited to, the Standard & Poor's 500 Stock Index or an index based on a group of comparative companies.

Section IV. TYPE OF INCENTIVE BONUS

On or before a date which shall not be later than the date that is six months prior to the last day of the incentive year to which the performance standards established pursuant to Section III apply for any incentive bonus that is performance-based compensation, as defined in Section 409A of the Internal Revenue Code of 1986, as amended ("Code"), and which shall not be later than the last day of the year prior to the incentive year to which the performance standards established pursuant to Section III apply for any incentive bonus that is not performance-based compensation, as defined in Code Section 409A, each participant must elect to receive any incentive bonus which may be awarded to him or her for the incentive year either 100% cash or deferred in whole or in part. If the participant elects to receive 100% cash, the entire amount of the bonus for the incentive year shall be distributed to the participant, or to his or her estate in the event of the participant's death, on or before March 1 of the year following the incentive year. If deferred in whole or in part, the amount deferred shall be allocated to the Norfolk Southern Corporation Executives' Deferred Compensation Plan (and such deferrals will be governed by the provisions of that plan) on or before March 1 of the year following the incentive year and the remainder, if any, shall be distributed in cash to the participant, or to his or her estate in the event of the participant's death, on or before March 2 of the year following the incentive year.

Failure on the part of the participant to elect a deferral by the date specified, either in whole or in part for the incentive year, shall be deemed to constitute an election by such participant to receive the entire incentive bonus for the incentive year as a cash bonus.

Section V. BONUS AWARDS

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Exhibit 10(r)

At the end of the incentive year, (1) the Committee shall certify in writing to what extent the performance standards established pursuant to Section III have been achieved during the incentive year based on corporate achievement (the "Corporate Performance Factor"), and (2) the Chief Executive Officer or one or more of his or her designees shall certify in writing to what extent the performance standards established pursuant to Section III have been achieved during the incentive year based on individual achievement (the "Individual Performance Factor"). The Corporate Performance Factor and the Individual Performance Factor shall be combined to create a "Combined Performance Factor" for each Participant. In determining the Corporate Performance Factor component of the Combined Performance Factor, special charges and restructuring charges, and unusual or infrequent accounting adjustments which are significant, and restatements or reclassifications, all as determined in accordance with Generally Accepted Accounting Principles, which would have the effect of reducing the Corporate Performance Factor shall be excluded, and which would have the effect of increasing the Corporate Performance Factor shall be included, unless the Committee shall determine otherwise. The Committee shall further have the discretion, in determining whether the Corporate Performance Factor component of the Combined Performance Factor has been achieved, to include or exclude any of the following events: (a) litigation, claims, judgments, settlements or loss contingencies, (b) the effect of changes in tax law, accounting principles, or other such laws or provisions affecting reported results, (c) accruals of any amounts for payment under this Plan or any other compensation arrangement maintained by the Corporation, or (d) gains or losses from property sales. The Committee shall further have the discretion to increase the Combined Performance Factor or the Corporate Performance Factor provided that any increase may not exceed 25 percentage points nor the maximum Combined Performance Factor or Corporate Performance Factor established for the incentive year. In the alternative, the Corporation's Chief Executive Officer shall have the discretion to increase the Combined Performance Factor or the Individual Performance Factor for participants below the level of Senior Vice President and who are not Executive Officers, provided that any increase may not exceed 25 percentage points nor the maximum Combined Performance Factor or Individual Performance Factor established for the incentive year.

Each participant shall be eligible to receive a bonus award equal to the product of the Combined Performance Factor times the participant's bonus level times the participant's total salary paid during the incentive year. The Committee may review the performance of any of the participants employed at the level of Senior Vice President or above or who is an Executive Officer and may, at its discretion, reduce the bonus award that is paid to any such participant. The Corporation's Chief Executive Officer may review the performance of any participant who is employed below the level of Senior Vice President and who is not an Executive Officer, and may, at his discretion, reduce the bonus award that is paid to any such participant. The bonus award payable to a participant for an incentive year shall not exceed the lesser of: (1) three tenths of one percent (0.3%) of the Corporation's income from railway operations for the incentive year; or (2) \$10,000,000.

If the employment of a participant who is employed by Norfolk Southern Corporation or its affiliates during the incentive year terminates prior to the end of such year by reason of (1) death, or (2) normal retirement, early retirement or total disability under applicable Norfolk Southern Corporation plans and policies, then the phrase "total salary paid during the incentive year" means base salary paid to the participant during that portion of such year of employment prior to his or her termination and through the end of the calendar month or payroll period in which employment terminates but

excludes any cash paid with respect to such participant's unused vacation. No incentive bonus for any incentive year shall be awarded or paid to any participant whose employment with Norfolk Southern Corporation and all its affiliates terminates before the end of such incentive year for a reason other than one of those specifically stated in the preceding sentence.

If a participant becomes eligible for the Plan during the year or becomes eligible for a different Incentive Group, then the amount of the award shall be adjusted proportionally to reflect such changes.

Section VI. REIMBURSEMENT OF EXCESS BONUS TO CORPORATION

The Board of Directors may require reimbursement of all or any portion of an excess bonus paid under the Plan if (a) financial results are restated due to the material noncompliance of the Corporation with any financial reporting requirement under the securities laws, and (b) an excess bonus was distributed within the three-year period prior to the date the applicable restatement was disclosed. For this purpose, "excess bonus"

means the positive difference, if any, between (i) the bonus paid to the participant and (ii) the bonus that would have been paid to the participant had the bonus been calculated on the correct Corporate Performance Factor using the restated financial results. The Corporation will not be required to award an additional bonus to a participant if a restated Corporate Performance Factor would result in a higher bonus payment.

Any bonus to a participant under this Plan is subject to reduction, forfeiture, or recoupment to the extent provided under Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law, or the Corporation's mandatory or supplemental clawback policies as may be in effect and applicable to a participant from time to time.

Section VII. NO GUARANTEE OF CONTINUANCE OF EMPLOYMENT

Nothing contained in this Plan or in any designation of a participant hereunder shall constitute or be deemed to constitute any evidence of an agreement or obligation on the part of Norfolk Southern Corporation or its affiliates to continue to employ any such participant for any period whatsoever.

Section VIII. AMENDMENT TO AND TERMINATION OF PLAN

This **AGREEMENT** dated as Plan may be amended by written action of /\$GrantDate\$/ (Award Date), between the Chief Executive Officer of the Corporation to effect changes which are, in his or her sole judgment and discretion, ministerial, substantively administrative, or necessary to comply with statutory or other legally mandated requirements, and the implementation of which does not result in a material cost to the Corporation. All other amendments to this Plan shall be made by resolution duly adopted by the Board of Directors. This Plan may be amended in any manner or terminated at any time, except that no such amendment or termination shall deprive a participant of any rights hereunder theretofore legally accrued, and no such termination shall be effective for the year in which the Board of Directors adopts a resolution terminating this Plan.

Section IX. FUNDING SOURCE

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All amounts that are payable under this Plan shall be paid for from the general assets of the Corporation. There is no trust or other fund from which amounts under this Plan shall be paid.

Section X. GOVERNING LAW

This Plan shall be construed, administered and enforced according to the laws of the Commonwealth of Virginia, to the extent not superseded by the Code or other federal law.

Section XI. NON-ASSIGNABILITY OF BENEFITS

A participant's right to receive a payment hereunder is not subject in any manner to anticipation, allocation, sale, transfer, assignment, pledge, encumbrance or charge, and any attempt to accomplish any of these acts shall be void.

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Exhibit 10 (t)

**SUPPLEMENTAL BENEFIT PLAN OF
NORFOLK SOUTHERN CORPORATION (Corporation) AND
PARTICIPATING SUBSIDIARY COMPANIES**

Amended to and Including December 31, 2023

Exhibit 10 (t)

**SUPPLEMENTAL BENEFIT PLAN OF
NORFOLK SOUTHERN CORPORATION AND
PARTICIPATING SUBSIDIARY COMPANIES
(As amended effective December 31, 2023)**

ARTICLE I. INTRODUCTION

This Supplemental Benefit Plan ("Plan"), formerly the Excess Benefit Plan, was established by Norfolk Southern Corporation effective June 1, 1982 ("Effective Date") to provide retirement benefits to eligible employees in excess of those provided for by the Retirement Plan of Norfolk Southern Corporation and Participating Subsidiary Companies. This Plan is the successor to and supersedes, as of the Effective Date, the following plans:

Excess Benefit Plan of Norfolk and Western Railway Company
Southern Railway System Supplemental Retirement Plan
Norfolk and Western Railway Company Executives Contingent Compensation Plan Pension Resolution

The Plan, as hereby amended and restated, is effective with respect to supplemental benefits that were earned or vested (within the meaning of Section 409A of the Internal Revenue Code) on or after January 1, 2005. Supplemental benefits earned and vested (within the meaning of Section 409A of the Internal Revenue Code) before January 1, 2005, and any subsequent increase that is permitted to be included in such benefits under Section 409A (collectively, the "Grandfathered Amounts"), remain subject to the terms of the Plan as in effect on October 3, 2004 except with respect to the small-balance lump-sum cashout provisions set forth herein. For recordkeeping purposes, NSC will account separately for the Grandfathered Amounts. The Plan was amended effective June 26, 2015, to delete all references to "Same Sex Partner" and "Surviving Same Sex Partner"; however, these deletions do not impact a Virginia corporation, Member who had a Same Sex Partner (as previously defined in the Plan) upon retirement between January 1, 2009 and /\$ParticipantName\$/ (Participant), Employee ID No. /\$UserText1\$/ June 1, 2015.

ARTICLE II. DEFINITIONS

Average Final Compensation	Compensation as defined in Article II of the Retirement Plan.
Cash-Out Threshold	Seven thousand dollars (\$7,000) or such other maximum amount that can be involuntarily distributed pursuant to Section 411(a)(11)(A) of the Internal Revenue Code (or any successor provision(s)).

Compensation Committee	The Compensation Committee of the Board of Directors of NSC.
Conrail Plan	Supplemental Pension Plan of Consolidated Rail Corporation.
Deferred Compensation	Amounts the receipt of which a Participant elects to defer under the:
	Deferred Compensation Plan of Norfolk and Western Railway Company
	Southern Railway System Executive, General or Middle Management Incentive Plan
	Norfolk Southern Corporation Management Incentive Plan
	Norfolk Southern Corporation Executive Management Incentive Plan
	Norfolk Southern Corporation Officers' Deferred Compensation Plan
	Norfolk Southern Corporation Executives' Deferred Compensation Plan
Member	A person entitled to participate in the Retirement Plan.
NSC	Norfolk Southern Corporation, a Virginia corporation.
NW Pension Resolutions	Resolutions adopted by the Board of Directors of Norfolk and Western Railway Company at its meetings held on January 23, 1968, June 24, 1969, November 25, 1969, January 26, 1971, and April 23, 1974, authorizing the respective payments of additional pension benefits to five Members.
Participant	A Member of the Retirement Plan who is eligible to participate under Article III.
Participating Subsidiary	Each subsidiary or affiliated company of NSC which is a Participating Subsidiary in the Retirement Plan shall automatically participate in the Plan.
Retirement Plan	Retirement Plan of Norfolk Southern Corporation and Participating Subsidiary Companies

Separation from Service	A Participant's "separation from service" within the meaning of Section 409A of the Internal Revenue Code and the regulations thereunder.
Specified Employee	An officer of NSC or of any company controlled by or under common control with NSC within the meaning of Section 414(b) or (c) of the Code (including NSC, an "NSC Company") with annual compensation greater than \$130,000 indexed), a five percent (5%) owner of an NSC Company, or a one percent (1%) owner of an NSC Company with annual compensation greater than \$150,000 (not indexed), determined in each case in accordance with Section 409A of the Internal Revenue Code. If all NSC Companies have (in the aggregate) more than 50 officers whose annual compensation exceeds \$130,000 (indexed), only the 50 officers with the greatest annual compensation shall be considered "Specified Employees." If an individual meets the definition of "Specified Employee" at any time during a calendar year, the individual shall be a "Specified Employee" during the 12-month period beginning on the following April 1. For purposes of this definition, annual compensation shall be determined on the basis of Internal Revenue Service Form W-2, Wage and Tax Statement, excluding foreign compensation.
Surviving Spouse	Surviving Spouse as defined in Article II of the Retirement Plan.

ARTICLE III.ELIGIBILITY AND PAYMENTS

1. **Award Contingent Upon Execution** The following Members of this Agreement and of Non-Compete. This Award is contingent upon the Participant's execution of this Agreement and the associated non-compete agreement (Non-Compete Agreement), which is a condition precedent to this Award. This Award Retirement Plan shall be void, and eligible to participate in the Participant shall not be Plan on or after the Effective Date:
 - (a) Any Member of the Retirement Plan whose benefit computed under Article VI of the Retirement Plan without regard to the maximum limitation on benefits imposed by Section 415 of the Internal Revenue Code exceeds such maximum limitation on benefits;
 - (b) Any Member of the Retirement Plan whose benefit computed under Article VI of the Retirement Plan disregards amounts of Deferred Compensation in the computation of his Average Final Compensation;

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- (c) Any Member of the Retirement Plan entitled to receive a pension benefit, in excess of the benefit computed under the provisions of the Retirement Plan, pursuant to an NW Pension Resolution;
- (d) Any Member of the Retirement Plan entitled to receive a pension benefit, in excess of the benefit computed under the provisions of the Retirement Plan, pursuant to a resolution adopted by the Board of Directors of NSC;
- (e) Any Member of the Retirement Plan whose Compensation exceeds the limitation contained in Section 401(a)(17) of the Internal Revenue Code;

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- (f) Any Member protected by the Pension Benefits Standard Act of Canada whose benefit computed under Article VI of the Retirement Plan exceeds \$60,000; or
- (g) Any Member of the Retirement Plan entitled to receive a pension benefit in excess of the benefit computed under the provisions of the Retirement Plan, pursuant to the provisions of any rights hereunder, unless agreement between a Participant and NSC providing benefits upon "Termination" of a Participant's employment following a "Change in Control" (as the terms "Termination" and "Change in Control" are defined in any such agreement).

2. Any participant of the Excess Benefit Plan of Norfolk and Western Railway Company or the Southern Railway System Supplemental Retirement Plan or any individual covered by the Norfolk and Western Railway Company Executive Contingent Compensation Plan Pension Resolution, dated September 24, 1968, shall become a Participant executes this Agreement and on the Non-Compete Agreement Effective Date. Any participant in the Consolidated Rail Corporation Supplemental Employee Retirement Plan who transfers employment to NSC from Consolidated Rail Corporation on or before \$AcceptByDate\$, and thereafter fully complies with their terms. The August 22, 2001 shall become a Participant will be paid on the first Dividend Equivalent payable effective date of his or her transfer.

3. Subject to Section 5 of this Article III, a Participant's benefit shall commence on the later of the last day of the month in which a Participant turns age 55 or the Participant's Separation from Service. Unless the Participant elects a different form of annuity under Section 4 of this Agreement only Article III, the Participant's supplemental benefit shall be paid as a single life annuity if the Participant executes this Agreement is single on the benefit commencement date, and shall be paid as a joint and 50% survivor annuity with the Participant's spouse as the survivor annuitant if the Participant is married on the benefit commencement date.

Notwithstanding the foregoing and anything to the contrary in Article I, if the present value (determined using the "applicable interest rate" as defined in Section 417(e)(3)(C) for November of the year preceding the Plan Year and the Non-Compete Agreement "applicable mortality table," as defined in Section 417(e)(3)(B) of the Code) of a Participant's supplemental benefit, including any Grandfathered Amount, does not exceed the Cash-Out Threshold as of the date of the Participant's Separation from Service, and the Participant's benefit has not commenced as an annuity payment, then the supplemental benefit, including any Grandfathered Amount, shall be paid in a lump sum distribution to the Participant upon the Participant's Separation from Service, and no benefit shall be payable to the Participant's Surviving Spouse. Any lump sum benefit payable hereunder will be paid as soon as administratively feasible following the Participant's Separation from Service, and in no event later than the later of (i) sixty days following the effective date of this amendment, or (ii) March 15 of the year following the year of the Participant's Separation from Service; provided, however, that if the Participant is a Specified Employee on the date of his Separation from Service, then such payment shall be made as provided in Section V of this Article III. The lump sum payment described in this

Section shall only be made if the payment results in a termination and liquidation of the entirety of the Participant's interest under this Plan, including all arrangements with respect to which deferrals of compensation are treated as having been deferred under a single nonqualified deferred compensation plan under Treas. Reg. § 1.409A-1(c)(2) and the requirements of Treas. Reg. § 1.409A-3(j)(v), or any successor regulation, are also satisfied with respect to such payment.

4. At any time before , a Participant's benefit commencement date, the Participant may change the form of payment for the Participant's supplemental benefit from one life annuity to another actuarially-equivalent life annuity (within the meaning of Section 409A of

the Internal Revenue Code) commencing at the same time, or may change the designated survivor annuitant, provided, however, that if the Participant's benefit under this Plan and the Retirement Plan are to commence at the same time (disregarding any six-month delay under Section V of this Article III), a Participant may not elect a form of payment or a designated survivor annuitant for the Participant's supplemental benefit that is a different form of payment or designated survivor annuitant than the Participant has elected under the Retirement Plan. Any change in the Participant's form of annuity or survivor annuitant shall be subject to any spousal consent requirement that would have applied if the election had been made under the Retirement Plan.

5. If a Participant is a Specified Employee on the date of his or her Separation from Service, the Participant's supplemental benefit shall not commence or be paid earlier than six months after the date of the Participant's Separation from Service. Any payments that otherwise would have been made during the six-month period shall be paid in a lump sum, without interest, on the last day of the first month that begins after the six-month period.

ARTICLE IV. SUPPLEMENTAL BENEFIT

1. A Participant shall, upon the Participant's benefit commencement date, be entitled to receive a monthly benefit equal to the excess of
 - (a) the monthly benefit under Article VI of the Retirement Plan if such benefit had been payable at the same time and in the same form as the Participant's supplemental benefit, and had been computed
 - (i) without regard to the limitation imposed by Section 415 of the Internal Revenue Code and provided for in Section 1 of Article VII of the Retirement Plan, in Section 7.4 of the Conrail Plan and in Section 7.4 of the Retirement Plan of Consolidated Rail Corporation;
 - (ii) without regard to the limitation of Compensation imposed by Section 401(a)(17) of the Internal Revenue Code;

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- (iii) without regard to the \$60,000 limitation on benefits payable to Members protected by the Pension Benefits Standard Act of Canada;
- (iv) without regard to the minimum benefit provided for in Section 13 of Article VI of the Retirement Plan provided, however, that this paragraph (iv) shall be effective only with respect to benefits accrued after April 30, 2005, and further provided that in no event shall the benefit payable under this plan be greater than the benefit that would have been payable if Section 13 of the Retirement Plan had continued to apply as in effect on April 30, 2005;
- (v) by including in the calculation of Average Final Compensation amounts of Deferred Compensation, if any;
- (vi) by including service credits and applying any offsets provided for under any NW Pension Resolution, if any;
- (vii) by including the service credits and compensation to which a Participant is entitled pursuant to the provisions of any agreement providing the benefits described in Article III, Section 1(g), hereof; and
- (viii) by excluding the Additional Retirement Benefit provided under Article VI of the Retirement Plan, as set forth in Schedule A of the Retirement Plan, over

- (b) the sum of

(i) the monthly benefit that would actually have been payable under the Retirement Plan if the benefit had been paid at the same time and in the same form as the Participant's supplemental benefit; and

(ii) the monthly benefit (or actuarial equivalent thereof if payable in a lump sum) that would actually have been payable under the Consolidated Rail Corporation Supplemental Employee Retirement Plan or its successor plan if the benefit had been paid at the same time and in the same form as the Participant's supplemental benefit.

2. **Terms** A Participant shall, upon the Participant's benefit commencement date, be entitled to receive a monthly benefit, in excess of the benefit that would otherwise be payable under

the Retirement Plan **Govern**. The Award made hereunder is made if the benefit had been paid at the same time and in the same form as the Participant's supplemental benefit, and in addition to any amount payable pursuant to the Norfolk Southern Corporation Long-Term Incentive Plan (Plan), all the terms and conditions of which are deemed to be incorporated in this Agreement and which forms a part Section 1 of this Agreement. The Article IV, in an amount so provided by a resolution adopted by the Board of Directors of NSC, if any.

3. If a Participant **agrees to be bound by all dies after the terms and conditions** benefit commencement date for the supplemental benefit, any survivorship option which has been elected or is in force under Article III of the Plan at the time of a Participant's death shall determine the benefit paid to the Participant's Surviving Spouse or other beneficiary. If a Participant dies before the benefit commencement date for the supplemental benefit, and **this agreement, and by all determinations** if the participant is married on his date of death, then the Participant's Surviving Spouse shall receive an annuity for the life of the **Committee** thereunder. Capitalized terms used Surviving Spouse, commencing on the later of the last day of the month in which the Participant would have reached age 55 or the last day of the month in which the Participant died, calculated using the method set forth in Section 1 of this Article IV, but substituting the corresponding survivor benefit under the Retirement Plan for the Participant's retirement benefit.

Notwithstanding the foregoing, if the present value (determined using the "applicable interest rate" as defined in Section 417(e)(3)(C) for November of the year preceding the Plan Year and the "applicable mortality table," as defined in Section 417(e)(3)(B) of the Code) of a supplemental benefit, including any Grandfathered Amount, that becomes payable to a Surviving Spouse upon the death of the Participant does not exceed the Cash-Out Threshold, and the survivor's benefit has not commenced as an annuity payment, then the supplemental benefit, including any Grandfathered Amount, shall be paid in a lump sum distribution to the Surviving Spouse. Any lump sum benefit payable hereunder will be paid as soon as administratively feasible following the Participant's death, and in no event later than March 15 of the year following the year of the Participant's death. The lump sum payment described in this **Agreement but not defined herein** Section shall **have** only be made if the payment results in a termination and liquidation of the entirety of the Participant's interest under this Plan, including all arrangements with respect to which deferrals of compensation are treated as having been deferred under a single nonqualified deferred compensation plan under Treas. Reg. § 1.409A-1(c)(2) and the requirements of Treas. Reg. § 1.409A-3(j)(v), or any successor regulation, are also satisfied with respect to such payment.

4. A payment is treated as being made on the date when it is due under the Plan if the payment is made on the due date specified by the Plan, or on a later date that is either
(i) in the same **meanings** calendar year (for a payment whose specified due date is on or before September 30), or (ii) by the 15th day of the third calendar month following the date specified by the Plan (for a payment whose specified due date is on or after October 1). A payment also is treated as being made on the date when it is due under the Plan if the payment is made not more than 30 days before the due date specified by the Plan, provided that a payment under Section 5 of Article III shall not be made earlier than six months after a Specified Employee's Separation From Service. A Participant or

beneficiary may not, directly or indirectly, designate the taxable year of a payment made in reliance on the administrative rules in this paragraph.

ARTICLE V. FUNDING

The benefits under the Plan shall be paid in cash from the general funds of NSC or its Participating Subsidiary, and no special or separate fund shall be established or other segregation of assets made to assure such payments. Nothing contained in the Plan shall create or be construed to create a trust of any kind. To the extent that any person acquires a right to receive payments under the terms of the Plan, such right shall be no greater than the right of an unsecured creditor of NSC or its Participating Subsidiary.

ARTICLE VI. ADMINISTRATION

1. The Plan shall be administered by the Compensation Committee, which is composed of three or more NSC directors appointed by the NSC Board who are not eligible to participate in the Plan and who shall serve at the pleasure of the Board. Each member of the Compensation Committee, while serving as such, shall be considered to be acting in his capacity as a director of NSC.
2. The Compensation Committee shall from time to time adopt rules and regulations determined to be necessary to insure the effective implementation of the Plan.
3. The Compensation Committee shall have the power to interpret the Plan. Any disputed question arising under the Plan, including questions of construction and interpretation, shall be determined conclusively and finally by the Compensation Committee.

ARTICLE VII. RIGHTS AND RESTRICTIONS

1. Participants in the Plan shall have only those rights in respect of the Plan specifically set forth herein.
2. This Plan shall not be deemed to constitute a contract between NSC or any Participating Company and any Participant or surviving spouse of a deceased Participant, nor shall it be construed to be consideration for or an inducement or condition of the employment of any Participant. Nothing contained herein shall be deemed to give any Participant the right to continued employment.
3. Benefits payable hereunder shall not be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge, and any attempt to accomplish any of these mentioned acts shall be void. Benefits shall not be subjected to attachment or other legal process or debts of the retired Participant or surviving spouse.
4. The Plan is intended, and shall be construed, to comply with the requirements of Section 409A of the Internal Revenue Code. NSC does not warrant that the Plan will comply

with Section 409A of the Internal Revenue Code with respect to any Participant or with respect to any payment, however. In no event shall NSC, its officers, directors, employees, parents, subsidiaries, or affiliates be liable for any additional tax, interest, or penalty incurred by a Participant or beneficiary as a result of the Plan's failure to

satisfy the requirements of Section 409A of the Internal Revenue Code, or as a result of the Plan's failure to satisfy any other applicable requirements for the deferral of tax.

ARTICLE VIII. AMENDMENTS AND TERMINATIONS

The Plan may be amended at any time, and retroactively, if deemed necessary or appropriate, by any proper officer of NSC to effect changes which are, in his or her sole discretion, ministerial, substantively administrative, or necessary to comply with statutory or other legally mandated requirements, and the implementation of which does not result in a material cost to NSC.

The Board or Directors of NSC, in its sole discretion, may at any time modify or amend any provisions of the Plan or may suspend or terminate the Plan, in whole or in part, but no such action shall retroactively impair or otherwise adversely affect the rights of any person to benefits under the Plan which have accrued prior to the date of such action, as determined by the Compensation Committee.

In no event shall a termination of the Plan accelerate the distribution of amounts accrued or vested under the Plan in calendar year 2005 and succeeding years, except to the extent permitted in regulations or other guidance under Section 409A of the Internal Revenue Code and expressly provided in the resolution terminating the Plan.

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NORFOLK SOUTHERN CORPORATION

LONG-TERM INCENTIVE PLAN

AS APPROVED BY SHAREHOLDERS MAY 14, 2015,

AS AMENDED JULY 29, 2016; NOVEMBER 29, 2016; NOVEMBER 28, 2017;

NOVEMBER 27, 2018; NOVEMBER 19, 2019; NOVEMBER 17, 2023;

AND DECEMBER 20, 2023

The terms of this amended plan, as set forth below, were approved by the separate vote of the holders of a majority of the shares of Common Stock present or represented and entitled to vote at a meeting of the stockholders of the Corporation at which a quorum was present for the proposal on May 14, 2015. The Board of Directors of the Corporation subsequently amended the Plan: on July 29, 2016 to clarify that an Award may include conditions such as continued employment, passage of time, the provisions of a Retention Agreement, attainment of age and/or service requirements, and/or the achievement of Performance Goals; on November 29, 2016 to revise the definition of "Retirement" with respect to a Participant who is not eligible to participate in a retirement plan of the Corporation or a Subsidiary Company and to specifically include work as a director for purposes of the non-compete under Section 14; on November 28, 2017, to revise the definition of "Restriction Period" from three years to ratable restriction periods over three years and grant the Committee authority to award up to 25,000 shares per year with a one-year restriction period for officers and employees; on November 27, 2018, to revise the definition of "Award Date" regarding the effective date of an Award made during a blackout period; on November 19, 2019, to clarify the Committee's authority to specify in the Award Agreement the non-forfeiture of Performance Share Units or an Option for a Participant who terminates service for a reason other than Retirement, Disability or death; on November 17, 2023, to grant the Committee or the Chief Executive Officer (as applicable) the authority to designate specific Award Dates in an open trading window, and clarify that Awards under the Plan are subject to any mandatory or supplemental clawback policies as may be adopted from time to time by the Corporation; and on December 20, 2023, Section 20 was revised to provide the Corporation with the ability to withhold a number of shares up to the maximum statutory tax withholding rate from any payment of Awards otherwise due to a Participant hereunder, based on the election of the Participant or the Committee.

Section 1. PURPOSE

The purpose of the Long-Term Incentive Plan ("Plan"), as amended, is to promote the success of Norfolk Southern Corporation (the "Corporation") and to provide an opportunity for non-employee directors, officers, and other employees of the Corporation and its Subsidiary Companies (as hereinafter defined) to acquire or increase a proprietary interest in the Corporation and thereby to provide an additional incentive to devote their maximum efforts and skills to the advancement, betterment, and prosperity of the Corporation and its stockholders. The Plan provides for the grant of incentive stock options, non-qualified stock options, stock appreciation rights, performance share units, performance shares, restricted shares, and restricted stock units, in accordance with the terms and conditions set forth below. The Corporation intends that the Plan comply with the requirements of Internal Revenue Code Section 162(m) and applicable treasury regulations thereunder and intends that compensation paid under the Plan qualify as performance-based compensation under Code Section 162(m). Notwithstanding the preceding sentence, the Corporation reserves the right to pay compensation under the Plan that does not qualify as performance-based compensation under Code Section 162(m), as circumstances may warrant. The Plan, as amended, is intended, and shall be construed, to comply with the requirements of Code Section 409A.

Section 2. DEFINITIONS

The terms used herein shall have the following meanings unless otherwise specified or unless a different meaning is clearly required by the context:

Award	Any one or more of the following: Incentive Stock Option; Non-qualified Stock Option; Stock Appreciation Right; Restricted Shares; Restricted Stock Units; Performance Share Units; and Performance Shares.
Award Agreement	A written agreement, made in a form approved by the Committee and consistent with the terms of the Plan, that specifies the terms, conditions, and limitations of each Award.
Award Date	The date on which the Committee or the chief executive officer (to the extent as may be delegated by the Committee) grants an Award or, if granted during a blackout period that precedes the release of the Corporation's financial or other material information for the preceding calendar quarter, the first day on which the Corporation's common stock is traded after a full trading day has elapsed following the release of the Corporation's financial or other material information for the preceding calendar quarter, or such other later date if expressly designated by the Committee or the chief executive officer.
Beneficiary	The person or persons designated in writing by the Participant as his Beneficiary in respect of Awards or, in the absence of such a designation or if the designated person or persons predecease the Participant, the person or persons who shall acquire the Participant's rights in respect of Awards by bequest or inheritance in accordance with the applicable laws of descent and distribution. In order to be effective, a Participant's designation of a Beneficiary must be on file with the Corporation before the Participant's death. Any such designation may be revoked and a new designation substituted for the revoked designation by the Participant at any time before his death without the consent of the previously designated Beneficiary.
Board of Directors	The Board of Directors of the Corporation.
Cash-Settled Stock Appreciation Rights	Stock Appreciation Rights settled in cash.
Code	The Internal Revenue Code of 1986, as amended from time to time.
Committee	The Human Capital Management and Compensation Committee or any other committee of the Board of Directors which is authorized to grant Awards under this Plan. It is intended that each member of the Committee shall qualify as (a) a "non-employee director" under Rule 16b-3 of the Securities Exchange Act of 1934, (b) an "outside director" under Code Section 162(m), and (c) an "independent director" under the rules of the New York Stock Exchange. If it is later determined that one or more members of the Committee do not qualify as a "non-employee director" under Rule 16b-3 of the Securities Exchange Act of 1934, actions taken by the Committee prior to such determination shall be valid despite such failure to qualify.
Common Stock	The Common Stock of the Corporation.

Disability	A disability that has enabled the Participant to receive a disability benefit under the Long-Term Disability Plan of the Corporation or a long-term disability plan of a Subsidiary Company (whichever is applicable), as amended from time to time, for a period of at least three months.
Dividend Equivalent	For a Participant who is a non-employee director, "Disability" means any medically determinable physical or mental impairment that is expected to result in death or to last for a continuous period of not less than 12 months and which prevents a Participant from continuing to serve as a non-employee director.
Executive Officers	Officers designated by the Board of Directors as "Executive Officers" for purposes of Section 16 of the Securities Exchange Act of 1934.
Exercise Gain Shares	With respect to a Stock Appreciation Right, all of the shares of Common Stock received upon exercise of the Stock Appreciation Right. With respect to an Option, the portion of the shares of Common Stock received upon exercise of the Option equal to the excess of the Fair Market Value, as of the exercise date, over the Option price, multiplied by the number of shares purchased under the Option on the exercise date, divided by such Fair Market Value, and rounded down to the nearest whole number of shares.
Fair Market Value	The value of Common Stock on a particular date as measured by the mean of the high and low prices at which it is traded on such date as reported by the exchange on which the Corporation's Common Stock is principally traded or if Common Stock was not traded on such date, on the preceding day on which Common Stock was traded.
Incentive Stock Option	An Option that complies with the terms and conditions set forth in Section 422(b) of the Code and is designated by the Committee as an Incentive Stock Option.
Non-Qualified Stock Option	An Option granted under the Plan other than an Incentive Stock Option.
Option	Any option to purchase Common Stock granted pursuant to the provisions of Section 6 or Section 7 of the Plan.
Optionee	A Participant who is the holder of an Option.
Participant	A person eligible to participate in the Plan who is granted and accepts an Award under the Plan.
Performance Cycle	The period of time, designated by the Committee but not less than one year, over which Performance Shares may be earned.

Performance Criteria	One or more, or any combination, of the following business criteria, selected by the Committee, which may be applied on a corporate, department, or division level, and which may be measured on an absolute or relative basis, or established as a measure of growth: earnings measures (including net income, earnings per share, income from continuing operations, income before income taxes, income from railway operations); return measures (including net income divided by total assets, return on shareholder equity, return on average invested capital); cash flow measures (including operating cash flow and free cash flow); productivity measures (including total operating expense per thousand gross ton miles or revenue ton miles, total operating revenue per employee, total operating expense per employee, gross ton miles or revenue ton miles per employee, carloads per employee, revenue ton miles per mile of road operated, total operating expense per carload, revenue ton miles per carload, gross ton miles or revenue ton miles per train hour, percent of loaded-to-total car miles, network performance); fair market value of shares of the Corporation's Common Stock; revenue measures; expense measures; operating ratio measures; customer satisfaction measures; working capital measures; cost control measures; total shareholder return measures; economic value-added measures; and safety measures.
Performance Criteria Weighting Percentage	The percentage weighting accorded to each Performance Criterion (or each combination thereof) selected by the Committee. The total of the Performance Criteria Weighting Percentages for any type of Award shall equal one hundred percent (100%).
Performance Goal	The specific target set by the Committee for each selected Performance Criterion (or each combination thereof) the outcome of which must be substantially uncertain at the time it is established. A Performance Goal may be set solely with respect to the Corporation's performance, or as compared to the performance of a published or special index deemed applicable by the Committee, including but not limited to the Standard & Poor's 500 Stock Index or an index based on a group of comparative companies. If a Performance Goal is based on the Corporation's common stock, then in the event of a recapitalization, stock split, stock dividend, exchange, combination, or reclassification of shares, merger, consolidation, reorganization, or other change in or affecting the capital structure or capital stock of the Corporation (other than a normal cash dividend), the Committee shall make or provide for such adjustments in performance goals as the Committee in its sole discretion may in good faith determine to be equitably required in order to prevent dilution or enlargement of the rights of participants.
Performance Shares	Shares of Common Stock granted pursuant to Section 11 of the Plan, which may be made subject to the restrictions and other terms and conditions prescribed in Section 11 of the Plan.
Performance Share Units	Contingent rights to receive Performance Shares pursuant to Section 11 of the Plan.
Restricted Shares	Shares of Common Stock granted pursuant to Section 9 of the Plan and subject to the restrictions and other terms and conditions set forth therein.

Restricted Stock Unit	Contingent rights, granted pursuant to Section 10 of the Plan, to receive Restricted Stock Unit Shares or cash payment for the Fair Market Value of shares of Common Stock, subject to the restrictions and other conditions set forth herein. Each Restricted Stock Unit shall equal the Fair Market Value of one share of Common Stock.
Restricted Stock Unit Shares	Shares of Common Stock issued as payment for Restricted Stock Units pursuant to Section 10 of the Plan, which may be made subject to the restrictions and other terms and conditions prescribed in Section 10 of the Plan.
Restriction Period	A period of time during which the restrictions imposed by paragraphs (b) and (c) of Section 9 or paragraphs (b) and (c) of Section 10 of the Plan shall apply. At the time that the Restricted Shares or Restricted Stock Units are granted, the Committee shall impose a Restriction Period and determine the length of the Restriction Period. For non-employee directors, the Restriction Period shall not be less than twelve (12) months.
	For officers and employees, the Restriction Period for at least one-third of the total number of Restricted Shares or Restricted Stock Units for each Award shall be not less than thirty-six months, at least one-third not less than twenty-four months, and not more than one-third shall have a minimum Restriction Period of twelve months. Notwithstanding this provision, the Committee may grant up to 25,000 Restricted Shares or Restricted Stock Units, in aggregate, in any calendar year with a minimum Restriction Period of twelve (12) months.
	Such Restriction Period, if any, shall be incorporated in the Award Agreement setting forth the grant. Under Sections 9 and 10 of this Plan, the Committee may, in its discretion, specify when the Award is granted that the Restriction Period shall expire upon the earlier achievement of Performance Goals.
Retention Agreement	An agreement entered into pursuant to Section 12 of the Plan.
Retirement	Retirement from the Corporation and all Subsidiary Companies pursuant to the provisions of the Retirement Plan of the Corporation or a defined benefit retirement plan of a Subsidiary Company (whichever is applicable), as amended from time to time. For a Participant who is employed by the Corporation or a Subsidiary Company but who is not eligible to participate in the Corporation's Retirement Plan or a defined benefit retirement plan of a Subsidiary Company, "Retirement" means the Participant's voluntary termination of employment from the Corporation or a Subsidiary Company, or involuntary termination of employment if the Participant is offered severance under the Norfolk Southern Corporation Severance Pay Plan, in either case after the participant: (a) attains age 55 and has been employed with the Corporation and/or a Subsidiary Company for 10 years, or (b) attains age 60 and has been employed with the Corporation and/or a Subsidiary Company for 5 years, or (c) attains age 62. For a Participant who is a non-employee director, "Retirement" means termination of service as a director of the Corporation.
Stock Appreciation Right	The right, granted pursuant to the provisions of Section 8 of the Plan, to receive Exercise Gain Shares or a cash payment equal to the excess, if any, of the Fair Market Value of Common Stock on the exercise date over the Fair Market Value of the Common Stock on the Award Date, as specified in Section 8 of the Plan.
Stock-Settled Stock Appreciation Rights	Stock Appreciation Rights paid out in Exercise Gain Shares.
Subsidiary Company	A corporation of which at least fifty percent (50%) of the total combined voting power of all classes of stock entitled to vote is owned, directly or indirectly, by the Corporation.

Section 3. ADMINISTRATION

The Plan shall be administered by the Committee, which, subject to the limitations set forth herein, shall have the full and complete authority and sole discretion, except as may be delegated to the Corporation's chief executive officer as provided herein, to construe and interpret the Plan; to select the Participants who shall be granted Awards under the Plan; to determine the type, size, terms, and conditions of the Award or Awards to be granted to each such Participant; to authorize the grant of such Awards pursuant to the Plan; in connection with the merger or consolidation of the Corporation (and subject to any applicable requirements of Code Section 409A), to give a Participant an election to surrender an Award in exchange for the grant of a new Award; to adopt, amend, and rescind rules and regulations relating to the Plan; and to make all other determinations and take all other actions it may deem necessary or advisable for the implementation and administration of the Plan.

If the Committee makes an Award to non-employee directors in a calendar year, and after such Award is made and in the same year an individual is elected by the Board to be a non-employee director of the Corporation, then the newly appointed director shall automatically be granted an Award under the same terms as was granted to the other non-employee directors earlier that year. The Award granted to the newly appointed director shall be prorated based on the number of days remaining in the calendar year of the individual's appointment as a director, and effective as of the date the individual became a director or, if the individual became a director during a blackout period, effective on the first day of the subsequent trading window during which officers of the Corporation and Subsidiary Companies are permitted to trade in Norfolk Southern Corporation Common Stock under the Corporation's insider trading policy.

The Committee in its sole discretion may delegate authority to the Corporation's chief executive officer to select as Participants the officers and employees who shall be granted Awards under the Plan (provided, however, that only the Committee shall grant Awards to the chief executive officer and Executive Officers); to determine the type, size, terms, and conditions of the Award or Awards to be granted to each such Participant; and to authorize the grant of such Awards pursuant to the Plan.

The Committee, or the chief executive officer to the extent as may be delegated by the Committee (hereinafter, the term "Committee" shall include reference to the chief executive officer to the extent of any such delegation), may authorize the grant of more than one type of Award, and Awards subject to differing terms and conditions, to any eligible Participant. The Committee's decision to authorize the grant of an Award to a Participant at any time shall not require the Committee to authorize the grant of an Award to that Participant at any other time or to any other Participant at any time; nor shall its determination with respect to the size, type, or terms and conditions of the Award to be granted to a Participant at any time require it to authorize the grant of an Award of Non-Qualified the same type or size or with the same terms and conditions to that Participant at any other time or to any other Participant at any time. The Committee shall not be precluded from authorizing the grant of an Award to any eligible Participant solely because the Participant previously may have been granted an Award of any kind under the Plan.

The grant, retention, vesting, and/or settlement of any Award shall be subject to such terms and conditions as determined by the Committee and specified in the Award Agreement, which may include conditions based on continued employment, passage of time, the provisions of a Retention Agreement, attainment of age and/or service requirements, and/or the achievement of Performance Goals.

All determinations of the Committee shall be by a majority of its members and shall be final, conclusive, and binding. Each member of the Committee, while serving as such, shall be considered to be acting in his capacity as a director of the Corporation, and no member of the Committee shall be liable for any action taken or decision made in good faith with respect to the implementation or administration of the Plan.

Section 4. ELIGIBILITY

To be eligible to be a Participant in the Plan, an individual must on the Award Date be a full-time nonagreement officer or employee who is a participant in the Norfolk Southern Corporation Executive Management Incentive Plan or Management Incentive Plan, or a full-time nonagreement employee of the Corporation or of a Subsidiary Company who can make an appreciable contribution to the attainment of the Corporation's overall business objectives as determined in the sole discretion of the Committee, and must reside in the United States or Canada. A non-employee director shall be eligible to participate in the Plan if he or she is a director of the Corporation and is not a full-time salaried employee of the Corporation or a Subsidiary Company.

Section 5. SHARES AVAILABLE

Since the Plan's establishment in 1983, up to a maximum of 90,978,604 shares of Common Stock Option(104,125,000 shares as adjusted for October 10, 1997, 3-for-1 stock split) have been authorized for issuance under the Plan. Awards that are made in a form other than Options or Stock-Settled Stock Appreciation Rights and that are granted under the Plan after May 13, 2010, shall be counted against the share limit set forth in the previous sentence as 1.61 shares for every one share issued in connection with such Award. Such shares shall be provided from shares of Common Stock authorized but not issued. Stock-Settled Stock Appreciation Rights shall be counted in full against the number of shares available for award under the Plan, regardless of the number of Exercise Gain Shares issued upon settlement of the Stock Appreciation Right.

. The Corporation hereby grants If any shares of Common Stock subject to an Award are forfeited, cancelled, exchanged, or surrendered or if an Award otherwise terminates or expires without a distribution of shares to the Participant (including by reason of such Award being settled in cash), the shares with respect to such Award shall, to the extent of any such forfeiture, cancellation, exchange, surrender, termination, or expiration, again be available for Awards under the Plan; provided, however, in the case of a stock-based Award that is not an Option or Stock Appreciation Right and that was made after May 13, 2010, 1.61 shares for each share underlying such Award shall again be available for Awards under the Plan. Notwithstanding the foregoing, the following shares of Common Stock may not again be made available for award under the Plan: (i) shares of Common Stock not issued or delivered as a result of the net settlement of an outstanding Stock Appreciation Right or Option; (ii) shares of Common Stock used to pay the exercise price or withholding taxes related to an outstanding award, or (iii) shares of Common Stock repurchased on the open market with proceeds of an Option exercise.

Notwithstanding any other provision to the contrary, no Participant may be awarded a grant in any one year, which, when added to any other grant of Options, Stock Appreciation Rights, Restricted Shares, Restricted Stock Units, and Performance Share Units in the same year, shall exceed 1,000,000 shares of Common Stock. A Stock Appreciation Right granted in connection with an option is treated as a single Award for purpose of the preceding sentence. If an Option is canceled, the canceled Option continues to count against the maximum number of shares for which Options may be granted to a Participant in any year. Notwithstanding the foregoing, the aggregate grant date Fair Market Value of shares of Common Stock that may be granted during any year to any non-employee director shall not exceed \$500,000.

Section 6. INCENTIVE STOCK OPTIONS

(a) General – The Committee may authorize the grant of Incentive Stock Options subject to the terms and conditions set forth in this Section 6. The grant of an Incentive Stock Option shall be evidenced by a written Award Agreement between the Corporation and the Optionee, setting forth the number of shares of Common Stock subject to the Incentive Stock Option evidenced thereby and the terms, conditions, and restrictions applicable thereto. The issuance of shares of Common Stock pursuant to an Incentive Stock Option also shall be subject to the provisions of any Retention Agreement that may be required by the Committee under Section 12 of the Plan.

Except for adjustments pursuant to Section 15 of the Plan, the Option Price for any outstanding Option granted under the Plan may not be decreased after the date the Option is granted, nor may an outstanding Option be modified or replaced if the effect would be to reduce the Option Price, nor may an outstanding Option be cancelled in exchange for cash or another Award, unless such repricing, modification or replacement is approved by the vote of a majority of the shares of Common Stock present or represented and entitled to vote at a meeting of the stockholders of the Corporation at which a quorum is present.

(b) Option Price - The Committee shall determine the Option price for each share of Common Stock purchased under an Option, but, subject to the provisions of Section 15 of the Plan, in no event shall the Option price be less than the greater of (i) one hundred percent (100%) of the Fair Market Value of the Common Stock on the Award Date, a Non-Qualified Stock Option (NQSO) to purchase /\$AwardsGranted\$/ shares of or (ii) the price at which the Corporation's Common Stock at a price of /\$GrantPrice\$/ per share. However, if was last sold in the Participant's employment is terminated by reason of principal United States market for such Common Stock on the Retirement of the Participant before December 31, <Year_of_Grant>, then a portion of this Option shall be forfeited immediately. The portion to be forfeited under this paragraph will be determined by dividing the number of shares subject to this NQSO by 12, multiplying the result by the number of full months in which the Participant was not employed by the Corporation during <Year_of_Grant>, and then rounding to the nearest whole share. Award Date.

(a) (c) Duration of Option. This Option (to Options - The Committee shall fix the extent term or duration of Options, provided that such term shall not earlier exercised) will expire at 11:59 p.m. on /\$ExpirationDate\$/ , being exceed ten (10) years from the Award Date, for NQSOs awarded in January of the current year ("On-Cycle Award Date"). However, this Option is and such term shall be subject to earlier termination if pursuant to the Participant's provisions of paragraph (g) of this Section 6.

(d) Non-Transferability of Options - Options may be exercised during the lifetime of the Optionee only by him, and following his death only by his Beneficiary. If a Beneficiary dies after the Optionee, but before the Option is exercised and before such rights expire, such rights shall become assets of such Beneficiary's estate. Except as provided in this paragraph, Options may not be assigned or alienated, whether voluntarily or involuntarily.

(e) Exercise of Options - The Committee shall determine the time or times at which Options may be exercised; provided that such time or times shall not occur before the latest of:

- (i) the first anniversary of the Award Date; and
- (ii) the effectiveness of any registration statement required to be filed under the Securities Act of 1933 for the registration of the Common Stock to be issued upon exercise of the Option.

(f) Payment of Option Price - The purchase price of Common Stock upon exercise of an Option shall be paid in full to the Corporation at the time of the exercise of the Option in cash or, at the discretion of the Committee and subject to any limitations or requirements that the Committee may adopt, by the surrender to the Corporation of shares of previously acquired Common Stock, which have been held by the Optionee for at least six (6) months and which shall be valued at Fair Market Value on the date that the Option is exercised, or, at the discretion of the Committee, by a combination of cash and such Common Stock.

(g) Termination of Options - No Option shall be exercisable after it expires. Each Option shall expire upon the earliest of:

- (i) the expiration of the term for which the Option was granted;

(ii) Except as otherwise provided by the Committee in the Award Agreement,

- (A) in the case of an Optionee whose employment with the Corporation or a Subsidiary Company is terminated due to Retirement, Disability or death, the expiration of the term for which the Option was granted, or
- (B) in the case of an Optionee whose employment with the Corporation or a Subsidiary Company is terminated for any reason other than Retirement, Disability, or death, as follows: (i) if the Participant's employment is terminated because of the Participant's Retirement, the Option shall expire on the earlier of 11:59 p.m. on /\$ExpirationDate\$, or 11:59 p.m. on the date that is five years after date of the Participant's Retirement; (ii) if the Participant's employment is terminated a "Qualifying Termination" (as defined under the Norfolk Southern Executive Severance Plan), the Option shall expire at the close of business on the last day of active service by the Participant Optionee with the Corporation or a Subsidiary Company, or (iii) if

- (C) in the Participant's employment is terminated for any reason other than Retirement or a Qualifying Termination (as defined under the Norfolk Southern Executive Severance Plan), the Option shall expire 30 days after the last day of active service by the Participant with the Corporation or a Subsidiary Company. If the Participant an Optionee who is granted a leave of absence, and his or her if the Optionee's employment with the Corporation or a Subsidiary Company terminates at any time during or at the end of the leave of absence, the Option grant shall expire at the close of business 30 days after on the Participant's last day of employment with the Corporation or a Subsidiary Company. Company, or

Notwithstanding (iii) in connection with a merger or consolidation of the foregoing, Corporation, with the Optionee's consent, the grant of a new Award to replace the Option.

(h) Limitation on Exercisability - The aggregate Fair Market Value (determined as of the Award Date) of the Common Stock with respect to which Incentive Stock Options (granted on or after January 1, 1987) are exercisable for the first time by the Optionee during any calendar year shall not exceed \$100,000, as adjusted under Code Section 422(d)(1) and corresponding Treasury Regulations.

Section 7. NON-QUALIFIED STOCK OPTIONS

The Committee may authorize the grant of Non-Qualified Stock Options subject to the terms and conditions specified in this Section 7. The grant of a Non-Qualified Stock Option shall be evidenced by a written Award Agreement between the Corporation and the Optionee, setting forth the number of shares of Common Stock subject to the Non-Qualified Stock Option evidenced thereby and the terms, conditions, and restrictions applicable thereto. Non-Qualified Stock Options granted pursuant to the provisions of this Section 7 shall be subject to the terms, conditions, and restrictions set forth in paragraphs (a) through (g) of Section 6 of the Plan. The limitations set forth in paragraph (h) of Section 6 of the Plan shall not apply to Non-Qualified Stock Options. The issuance of shares of Common Stock pursuant to a Non-Qualified Stock Option also shall be subject to the provisions of any Retention Agreement that may be required by the Committee under Section 12 of the Plan.

Section 8. STOCK APPRECIATION RIGHTS

(a) General - The Committee may grant a Stock Appreciation Right to a Participant in connection with an Option, or portion thereof, or on a stand alone basis, as determined by the Committee, subject to the terms and conditions set forth in this Section 8. If granted in connection with an Option, the Stock Appreciation Right may be granted at the time of grant of the related Option and shall be subject to the same terms and conditions as the related Option, except as this Section 8 may otherwise provide. If granted in connection with an Option, the Stock Appreciation Right shall be evidenced by provisions in the Award Agreement evidencing or identifying the related Option, specifying the number of shares of Common Stock subject thereto and setting forth the terms and conditions applicable to the Stock Appreciation Right. If granted on a stand alone basis, the Stock Appreciation Right shall be evidenced by provisions of a written Award Agreement between the Corporation and the Participant. The Committee may grant Cash-Settled Stock Appreciation Rights or Stock-Settled Stock Appreciation Rights as shall be set forth in an Award Agreement.

Except for adjustments pursuant to Section 15 of the Plan, the terms of an outstanding Stock Appreciation Right may not be amended to reduce the exercise price of the Stock Appreciation Right, nor may an outstanding Stock Appreciation Right be modified or replaced if the Participant Engages effect would be to reduce the exercise price, nor may an outstanding Stock Appreciation Right be cancelled in Competing Employment within exchange for cash or another Award, unless such repricing, modification or replacement is approved by the vote of a period majority of two the shares of Common Stock present or represented and entitled to vote at a meeting of the stockholders of the Corporation at which a quorum is present.

(b) Exercise Price and Duration - The Committee shall determine the exercise price for any Stock Appreciation Right granted on a stand alone basis but, subject to the provisions of Section 15 of the Plan, in no event shall the exercise price be less than the greater of (i) one hundred percent (100%) of the Fair Market Value of the Common Stock on the Award Date, or (ii) the price at which the Corporation's Common Stock was last sold in the principal United States market for such Common Stock on the Award Date. The Committee shall fix the term or duration of Stock Appreciation Rights, provided that such term shall not exceed ten (10) years from the Award Date, and that such term shall be subject to earlier termination pursuant to the provisions of paragraph (e) of this Section 8.

(c) Exercise – If granted in connection with an Option, a Stock Appreciation Right shall be exercisable only at such time or times, to such extent, and by such persons, as the Option to which it relates shall be exercisable. If granted on a stand alone basis, a Stock Appreciation Right shall be exercisable only at such time or times, to such extent, and by such persons, as shall be set forth in the Award Agreement.

Stock Appreciation Rights shall be subject to the following Retirement restrictions:

(i) the Stock Appreciation Right may not be exercised before the expiration of one (1) year from the Award Date; provided, however, that this subparagraph (i) shall not apply if the death or Disability of the term Optionee occurs within one (1) year after the Award Date; and

(ii) a Stock Appreciation Right granted in connection with an Incentive Stock Option may not be exercised on any date on which the Fair Market Value of a share of Common Stock is less than or equal to the Option price per share under the related Incentive Stock Option.

A Stock Appreciation Right shall be exercised by providing the Corporation with a written notice in such form and containing such information (including the number of shares of Common Stock with respect to which the Stock Appreciation Right is being exercised) as the Committee may specify. If the Stock Appreciation Right was granted in connection with an Option, the Participant must surrender the related Option, or the portion thereof pertaining to the shares with respect to which the Stock Appreciation Right is exercised, and the date on which the Corporation receives such notice shall be the date on which the related Option, or portion

thereof, shall be deemed surrendered and the Stock Appreciation Right shall be deemed exercised.

(d) Payment - Upon the proper exercise of a Stock-Settled Stock Appreciation Right granted on a stand alone basis, a Participant shall be entitled to receive Exercise Gain Shares equal to the number of shares of Common Stock that have an aggregate Fair Market Value on the exercise date equal to the amount by which the Fair Market Value of a share of Common Stock on the exercise date exceeds the exercise price for the Stock Appreciation Right established on the Award Date, multiplied by the number of Stock-Settled Stock Appreciation Rights surrendered in connection with the exercise of the Stock Appreciation Right.

Upon the proper exercise of a Stock-Settled Stock Appreciation Right granted in connection with an Option, an Optionee shall be entitled to receive Exercise Gain Shares equal to the number of shares of Common Stock that have an aggregate Fair Market Value on the exercise date equal to the amount by which the Fair Market Value of a share of Common Stock on the exercise date exceeds the Option price per share of the related Option, multiplied by the number of shares covered by the related Option, or portion thereof, surrendered in connection with the exercise of the Stock Appreciation Right. The Exercise Gain Shares shall be subject to the provisions of any Retention Agreement that may be required by the Committee under Section 12 of the Plan.

Upon the proper exercise of a Cash-Settled Stock Appreciation Right granted on a stand alone basis, a Participant shall be entitled to receive cash equal to the value of the number of shares of Common Stock that have an aggregate Fair Market Value on the exercise date equal to the amount by which the Fair Market Value of a share of Common Stock on the exercise date exceeds the exercise price for the Stock Appreciation Right established on the Award Date, multiplied by the number of Cash-Settled Stock Appreciation Rights surrendered for settlement.

Upon the proper exercise of a Cash-Settled Stock Appreciation Right granted in connection with an Option, an Optionee shall be entitled to receive cash equal to the value of the number of shares of Common Stock that have an aggregate Fair Market Value on the exercise date equal to the amount by which the Fair Market Value of a share of Common Stock on the exercise date exceeds the Option price per share of the related Option, multiplied by the number of shares covered by the related Option, or portion thereof, surrendered in connection with the exercise of the Stock Appreciation Right.

(e) Termination of Right - A Stock Appreciation Right granted in connection with an Option shall expire, unless previously exercised or canceled, upon the expiration of an Option to which it relates, or upon such time as may be set forth in an Award Agreement. A Stock Appreciation Right granted on a stand alone basis shall be subject to the termination provisions set forth in paragraph (g) of Section 6 for Options and shall expire, unless previously exercised or cancelled, at such time as may be set forth in an Award Agreement.

(f) Effect of Exercise - A Stock Appreciation Right shall be canceled when, and to the extent that, it or a related Option is exercised, and an Option shall be canceled when, and to the extent that, the Option is surrendered to the Corporation upon the exercise of a related Stock Appreciation Right.

Section 9. RESTRICTED SHARES

(a) General - The Committee, in its sole discretion, may from time to time authorize the grant of Restricted Shares to a Participant pursuant to an Award Agreement. A certificate or certificates representing the number of Restricted Shares granted shall be registered in the name of the Participant or held in uncertificated form through a direct registration system or the number of Restricted Shares shall be delivered by electronic delivery to a brokerage account established for the Participant's benefit at a financial/brokerage firm selected by the Corporation. Until the expiration of the Restriction Period or the lapse of restrictions in the manner provided in paragraph (g) of this Option Section 9, any certificate or certificates shall ~~terminate~~ be held by the Corporation for the account of the Participant, and any Restricted Shares held through direct registration or in a brokerage account shall be blocked from sale or transfer. Restricted Shares shall be subject to

such restrictions as the Committee may establish in the Award Agreement (including, without limitation, any limitation on the right to vote Restricted Shares or the right to receive any dividend or other right), which restrictions may lapse separately or in combination at such time or times, in such installments or otherwise, as the Committee may deem appropriate; provided that dividends on Restricted Shares subject to a specified Performance Goal or Goals shall be payable only to the extent the Performance Goal(s) are achieved with respect to such Restricted Shares.

(b) Performance Goal Requirement – The Committee may determine, in its sole discretion, that a Participant's entitlement to Restricted Shares shall be subject to achievement of a specified Performance Goal or Goals during the Restriction Period. If so, the Committee shall select the Performance Criterion or each combination thereof, the Performance Goal for each Performance Criterion or each combination thereof, and the Performance Criteria Weighting Percentage for each Performance Criterion or each combination thereof within ninety (90) days of the commencement of the Restriction Period. The Committee may also determine that the Restriction Period shall expire upon achievement of established Performance Goals prior to the established end of the Restriction Period. In determining whether Performance Goals have been achieved, special charges, restructuring charges and unusual or infrequent accounting adjustments which are significant, and restatements or reclassifications, all as determined in accordance with Generally Accepted Accounting Principles, which would have the effect of reducing the percentage of Performance Goals achieved shall be excluded, and which would have the effect of increasing the percentage of Performance Goals achieved shall be included, unless the Committee, in its discretion, determines otherwise. At such time as the Committee certifies that the Performance Goals have been achieved, the Committee shall authorize delivery of Restricted Shares (or such percentage of the Restricted Shares as equal the Percentage of Performance Goals that have been achieved) for which the Restriction Period has expired. If the Restricted Shares are subject to the achievement of Performance Goals, such Restricted Shares shall be forfeited to the extent Performance Goals are not achieved before the established end of the Restriction Period.

(c) Restrictions – Until the expiration of the Restriction Period or the lapse of restrictions in the manner provided in paragraph (g) of this Section 9, Restricted Shares shall be subject to the following restrictions and any additional restrictions that the Committee, in its sole discretion, may from time to time deem desirable in furtherance of the objectives of the Plan:

- (i) the Participant shall not be entitled to receive the certificate or certificates representing the Restricted Shares, or exercise any ownership over any Restricted Shares held through direct registration or in a brokerage account;
- (ii) the Restricted Shares may not be sold, transferred, assigned, pledged, conveyed, hypothecated, or otherwise disposed of; and
- (iii) the Restricted Shares may be forfeited as provided in paragraphs (b) or (e) of this Section 9, subject to the provisions of paragraph (f) and (g) of this Section 9.

(d) Distribution of Restricted Shares – If a Participant to whom Restricted Shares have been granted remains in the continuous employment of the Corporation or a Subsidiary Company during the entire Restriction Period, or, in the case of a Participant who is a non-employee director, who remains a non-employee director during the entire Restriction Period, upon the expiration of the Restriction Period all restrictions applicable to the Restricted Shares shall lapse. When the restrictions applicable to the Restricted Shares lapse, either:

- (i) the certificate or certificates representing the shares of Common Stock that were earned pursuant to paragraph (b) of this Section 9 shall be delivered to the Participant or,
- (ii) if the shares were delivered by electronic delivery to a brokerage account established for the Participant's benefit or by direct registration and held in uncertificated form, the restrictions on the sale or transfer of any shares that were earned pursuant to paragraph (b) of this Section 9 shall lapse.

(e) Termination of Employment - If the employment of a Participant is terminated for any reason other than the Retirement, Disability, or death of the Participant in service before the expiration of the Restriction Period, the Restricted Shares shall be forfeited immediately and all rights of the Participant with respect to such Options shares shall terminate immediately without further obligation on the part of the Corporation or any Subsidiary Company. A Participant "Engages in Competing Employment" if if the Participant is granted a leave of absence before the expiration of the Restriction Period, the Participant shall not forfeit any state in which rights with respect to any Restricted Shares subject to the Corporation provided rail services during Restriction Period, unless the Participant's employment with the Corporation works or a Subsidiary Company terminates at any time during or at the end of the leave of absence for any reason other than Retirement, Disability, or provides death, at which time the shares shall be forfeited immediately and all rights of the Participant with respect to such shares shall terminate immediately without further obligation on the part of the Corporation or any Subsidiary Company.

(f) Retirement, Disability or Death - Except with respect to continued employment requirements or as otherwise specified in the Award Agreement, if the Participant's employment is terminated by reason of the Retirement or Disability of the Participant before the expiration of the Restriction Period and no Performance Goals have been imposed, the restrictions on the Restricted Shares shall lapse upon the expiration of the Restriction Period and delivery of the Restricted Shares shall be made to the Participant, as described in paragraph (d) of this Section 9; provided, however, that if the Participant dies after Retirement or Disability and before the expiration of the Restriction Period, the restrictions on the Restricted Shares shall lapse and delivery shall be made to the Participant's Beneficiary. If the Participant's employment is terminated by reason of the Participant's death in service before the expiration of the Restriction Period, the restrictions on the Restricted Shares shall lapse and delivery of the Restricted Shares shall be made to the Participant's Beneficiary. Except with respect to continued employment requirements or as otherwise specified in the Award Agreement, if the Participant's employment is terminated by reason of the Retirement, Disability, or death of the Participant before the expiration of the Restriction Period and Performance Goals have been imposed, the restrictions on the Restricted Shares shall lapse upon the expiration of the Restriction Period and to the extent that the Committee certifies that Performance Goals have been achieved and delivery of the Restricted Shares shall be made to the Participant, or the Participant's Beneficiary in the event of the Participant's death, in accordance with paragraphs (b) and (d) of this Section 9.

(g) Waiver of Restrictions - The Committee, in its sole discretion, may waive any or all restrictions with respect to Restricted Shares.

Section 10. RESTRICTED STOCK UNITS

(a) General - The Committee, in its sole discretion, may from time to time authorize the grant of Restricted Stock Units ("Units") to a Participant pursuant to an Award Agreement. Such Units shall be recorded in individual memorandum accounts maintained by the Committee or its agent. The grant of Restricted Stock Units shall entitle the Participant to payment in Restricted Stock Unit Shares or cash, as provided for in the Award Agreement. The Participant shall have no beneficial ownership interest in the Common Stock represented by the Units prior to expiration of the Restriction Period and achievement of any Performance Goals. The Participant shall have no right to vote the Common Stock represented by the Units or to receive dividends (except for any Dividend Equivalents which may be awarded by the Committee in connection with such Units) on the Common Stock represented by the Units. The grant of Units shall be evidenced by an Award Agreement between the Corporation or Subsidiary Company and the Participant, identifying the number of Units awarded, and setting forth the terms and conditions applicable to the Units.

(b) Performance Goal Requirement – The Committee may determine, in its sole discretion, that a Participant's entitlement to payment in cash or Restricted Stock Unit Shares for Restricted Stock Units shall be subject to achievement of a specified Performance Goal or Goals over the duration of the Restriction Period. If so, the Award shall specify when it is granted that the Participant's entitlement to payment is subject to the achievement of the Performance Goal or Goals, and the Committee shall select the Performance Criterion or each

combination thereof, the Performance Goals for each Performance Criterion or each combination thereof, and the Performance Criteria Weighting Percentage for each Performance Criterion or each combination thereof within ninety (90) days after the commencement of the Restriction Period.

The Committee may specify, when the Award is granted, that the Restriction Period shall expire upon achievement of the established Performance Goals prior to the established end of the Restriction Period. In determining whether Performance Goals have been achieved, special charges, restructuring charges and unusual or infrequent accounting adjustments which are significant, and restatements or reclassifications, all as determined in accordance with Generally Accepted Accounting Principles, which would have the effect of reducing the percentage of Performance Goals achieved shall be excluded, and which would have the effect of increasing the percentage of Performance Goals achieved shall be included, unless the Committee, in its discretion, determines otherwise. For Restricted Stock Units subject to the achievement of Performance Goals, the Committee shall certify in writing the extent to which the Performance Goals have been achieved, and shall authorize settlement of Units in cash or Restricted Stock Unit Shares. The Units shall be settled within two and one half months after the end of the year in which the Performance Goals are achieved. Such settlement shall be based on the Fair Market Value on the date all applicable restrictions lapse (or such percentage of the value of the Restricted Stock Units as equal the percentage of Performance Goals that have been achieved) for which the Restriction Period has expired. If the settlement of Restricted Stock Units is subject to the achievement of Performance Goals, such Restricted Stock Units shall be forfeited to the extent Performance Goals are not achieved before the established end of the Restriction Period.

(c) Restrictions - Until the expiration of the Restriction Period and the lapse of any Retention Agreement provided in Section 12, Units shall be subject to the following restrictions and any additional restrictions that the Committee, in its sole discretion, may from time to time deem desirable in furtherance of the objectives of the Plan:

- (i) the grant of Units to a Participant shall not entitle a Participant to receive cash payment or Restricted Stock Unit Shares;
- (ii) the Units may not be sold, transferred, assigned, pledged, conveyed, hypothecated, or otherwise disposed of; and
- (iii) all or a portion of the Units may be forfeited immediately as provided in paragraph (b) or (e) of this Section 10, subject to the provisions of paragraphs (f) and (g) of this Section 10.

(d) Distribution of Restricted Stock Units - If a Participant to whom Units have been granted remains in the continuous employment of the Corporation or a Subsidiary Company during the entire Restriction Period or, in the case of a Participant who is a non-employee director, who remains a non-employee director during the entire Restriction Period, upon the expiration of the Restriction Period and the further expiration of any Retention Agreement applicable to such Units, all restrictions applicable to the Units shall lapse, and the Units shall be settled in cash or in Restricted Stock Unit Shares, based on Fair Market Value on the later of the date all applicable restrictions lapse or any Retention Agreement lapses. Settlement in cash in a single sum or issuance of Restricted Stock Unit Shares shall be made within thirty (30) days following the later of the expiration of the Restriction Period or any Retention Agreement applicable to such Units. The Participant may not, directly or indirectly, designate the taxable year of the settlement.

(e) Termination of Employment - If the employment of a Participant is terminated for any reason other than the Retirement, Disability, or death of the Participant in service before the expiration of the Restriction Period, the Units shall be forfeited immediately and all rights of the Participant with respect to such Units shall terminate immediately without further obligation on the part of the Corporation or any Subsidiary Company. If the Participant is granted a leave of absence before the expiration of the Restriction Period, the Participant shall not forfeit all rights with respect to any Units subject to the Restriction Period, unless the Participant's employment

with the Corporation or a Subsidiary Company terminates at any time during or at the end of the leave of absence for any reason other than Retirement, Disability, or death, at which time all rights of the Participant with respect to such Units shall terminate immediately without further obligation on the part of the Corporation or any Subsidiary Company.

(f) Retirement, Disability or Death – Except with respect to continued employment requirements or as otherwise specified in the Award Agreement, if the Participant's employment is terminated by reason of the Retirement or Disability of the Participant before the expiration of the Restriction Period and no Performance Goals have been imposed, the restrictions on the Restricted Stock Units shall lapse upon the expiration of the Restriction Period and settlement of Restricted Stock Units shall be made at the end of the Restriction Period to the Participant as described in paragraph (d) of this Section 10; provided, however, if the Participant dies after Retirement or Disability and before the expiration of the Restriction Period, the restrictions on the Restricted Stock Units shall lapse and delivery shall be made to the Participant's Beneficiary. If the Participant's employment is terminated by reason of the Participant's death in service before the expiration of the Restriction Period, the restrictions on the Restricted Stock Units shall lapse and delivery of the Restricted Stock Unit Shares shall be made to the Participant's Beneficiary. Settlement of the Restricted Stock Units shall be made within thirty (30) days following the expiration of the Restriction Period. The Participant or Beneficiary may not, directly or indirectly, designate the taxable year of the settlement.

Except with respect to continued employment requirements or as otherwise specified in the Award Agreement, if the Participant's employment is terminated by reason of the Retirement, Disability, or death of the Participant before the expiration of the Restriction Period and Performance Goals have been imposed, the restrictions on the Restricted Stock Units shall lapse if the Committee certifies that Performance Goals have been achieved, and settlement of the Restricted Stock Units shall be made to the Participant, or the Participant's Beneficiary in the event of the Participant's death, in accordance with paragraphs (b) and (d) of this Section 10.

(g) Waiver of Restrictions - The Committee, in its sole discretion, may waive any or all restrictions with respect to Units. If no Performance Goals have been imposed, settlement of the Units shall be made on the same settlement date that would have applied absent the waiver of restrictions. If Performance Goals have been imposed, settlement of the Units shall be made within two and one half months after the end of the year in which all restrictions are either waived or similar services satisfied.

Section 11. PERFORMANCE SHARES

(a) General - The Committee, in its sole discretion, may from time to time authorize the grant of Performance Share Units to a Participant pursuant to an Award Agreement. Performance Share Units shall entitle the Participant to Performance Shares (or cash in lieu thereof) upon the achievement of Performance Goals. The Committee shall select the Performance Criteria, set the Performance Goals and assign Performance Criteria Weighting Percentages to each Performance Criterion or each combination thereof within ninety (90) days of the commencement of the Performance Cycle. Performance Share Units may not be sold, transferred, assigned, pledged, conveyed, or hypothecated.

After the end of the Performance Cycle, the Committee shall certify in writing to what extent the Performance Goals have been achieved. In determining whether Performance Goals have been achieved, special charges, restructuring charges, and unusual or infrequent accounting adjustments which are significant, and restatements or reclassifications, all as determined in accordance with Generally Accepted Accounting Principles, which would have the effect of reducing the percentage of Performance Goals achieved shall be excluded, and which would have the effect of increasing the percentage of Performance Goals achieved shall be included, unless the Committee, in its discretion, determines otherwise. The Committee shall thereafter authorize the payment of such percentage of the value of the Performance Share Units as equal the percentage of Performance Goals that have been achieved to the Participant, or the Participant's Beneficiary in the event of the Participant's death after the end of the Performance Cycle, of (i) cash in lieu of Performance Shares, or (ii) either (1) the issuance of Performance Shares registered in the name of the Participant or (2) the electronic delivery of

Performance Shares to a brokerage account established for the Participant's benefit at a financial/brokerage firm selected by the Corporation, subject to the provisions of any Retention Agreement that may be required by the Committee under Section 12 of the Plan, or (iii) both. Settlement in cash or issuance of Performance Shares shall be made within two and one half months after the end of the year in which the Performance Goals are achieved.

(b) Distribution or Forfeiture of Performance Shares - Except as otherwise provided on behalf by the Committee in the Award Agreement, if the Participant's employment with the Corporation or a Subsidiary Company is terminated before the end of a Performance Cycle for any reason other than Retirement, Disability, or death, the Participant shall forfeit all rights with respect to any Performance Shares that were being earned during the Performance Cycle. If the Participant is granted a leave of absence before the end of a Performance Cycle, the Participant shall not forfeit all rights with respect to any Performance Shares that were being earned during the Performance Cycle, unless the Participant's employment with the Corporation or a Subsidiary Company terminates at any time during or at the end of the leave of absence, at which time the Participant shall forfeit all rights with respect to any Performance Shares that were being earned during the Performance Cycle. Except with respect to continued employment requirements or as otherwise specified in the Award Agreement, if the Participant's employment is terminated before the end of a Performance Cycle by reason of Retirement, Disability, or death, the Participant's rights with respect to any Performance Shares being earned during the Performance Cycle shall, subject to the other provisions of this Section 11, continue as if the Participant's employment had continued through the end of the Performance Cycle.

Section 12. RETENTION AGREEMENTS

(a) General - The Committee, in its sole discretion, may require as a condition of a grant, exercise, settlement, or payment with respect to any Award under the Plan that the Participant and the Corporation enter into a Retention Agreement, which shall provide, (1) with respect to an Award of Restricted Stock Units, that the settlement of the Restricted Stock Units in Restricted Stock Unit Shares or cash shall not occur until the event specified in the Retention Agreement that is part of the Award, or (2) with respect to any portion of any Exercise Gain Shares, Restricted Shares, Restricted Stock Unit Shares, or Performance Shares, that (i) the certificate or certificates representing any such Awards, when

issued, shall be held by the Secretary of the Corporation for the benefit of the Participant until such time as the retention period specified by the Retention Agreement has expired or has been waived by the Committee, whichever occurs first, or (ii) that any Competitor. such Award, when delivered by electronic delivery to a brokerage account established for the Participant's benefit at a financial/brokerage firm selected by the Corporation or by direct registration and held in uncertificated form, shall not be permitted to be transferred or sold until such time as the retention period specified by the Retention Agreement has expired or has been waived by the Committee, whichever occurs first. Any dividends payable on shares subject to a Retention Agreement shall be paid to the Participant in cash on the date declared by the Board of Directors. Each Retention Agreement may include some or all of the terms, conditions, and restrictions set forth in paragraphs (b) through (e) of this Section 12.

(b) **Retention Period** - Shares that are subject to the Retention Agreement may not be sold, transferred, assigned, pledged, conveyed, hypothecated, or otherwise disposed of within such period of time of not less than twenty-four (24) months following the exercise date (in the case of Exercise Gain Shares) or the date of issuance (in the case of Restricted Shares, Restricted Stock Unit Shares, or Performance Shares), as shall be prescribed by the Committee.

(c) **Termination of Employment** - If a Participant's employment with the Corporation or a Subsidiary Company is terminated for any reason other than Retirement, Disability, or death, shares subject to the Retention Agreement shall continue to be held, following the Participant's termination of employment, until the expiration of the retention period specified by the Retention Agreement. If the Participant's employment is terminated by reason of Retirement or Disability, shares then held subject to the Retention Agreement shall continue to be held until the expiration of the applicable retention period following termination of employment, but any such retention period shall cease upon the earlier of the Participant's attainment of age 65 or the

expiration of two (2) years after the Participant's Retirement or Disability, if either of those events occurs before the expiration of the applicable retention period. If the Participant dies while shares are subject to a retention period under the Retention Agreement, such retention period shall expire immediately at the time of death.

(d) **Leave of Absence** - If a Participant is granted a leave of absence, shares subject to the Retention Agreement shall continue to be held during the leave of absence, until the expiration of the retention period specified by the Retention Agreement.

(e) **Change in Control** - Upon a Change in Control, the retention periods specified by all Retention Agreements shall immediately expire; provided, however, that any such waiver shall not accelerate the settlement of any Restricted Stock Units in a manner that would violate the requirements of Code Section 409A.

A Change in Control shall occur if:

- (i) any person, other than the Corporation or a Subsidiary Company or any employee benefit plan sponsored by the Corporation or a Subsidiary Company, shall become the beneficial owner of, or obtain voting control over, 20% or more of the Corporation's outstanding Common Stock;
- (ii) (A) any consolidation or merger of the Corporation occurs in which the Corporation is not the continuing or surviving corporation or pursuant to which shares of Common Stock would be converted into cash, securities, or other property, other than a merger of the Corporation in which holders of Common Stock immediately prior to the merger have the same proportionate ownership of common stock of the surviving corporation immediately after the merger as immediately before, or (B) any sale, lease, exchange, or other transfer (in one transaction or a series of related transactions) of all or substantially all the assets of the Corporation occurs; or
- (iii) there shall have been a change in the composition of the Board of Directors such that within any period of two (2) consecutive years or less individuals who at the beginning of such period constituted such Board, together with any new directors whose election, or nomination for election by the Corporation's stockholders, was approved by a vote of at least two-thirds of the directors then in office who were directors at the beginning of such period, shall for any reason no longer constitute a majority of the directors of the Corporation.

(f) **Waiver of Requirements** - The Committee, in its sole discretion, may waive any or all retention periods or other restrictions in the Share Retention Agreement, provided that the waiver of restrictions does not accelerate the payment of any Restricted Stock Units in a manner that would violate the requirements of Code Section 409A.

(g) **Distribution of Shares and Restricted Stock Unit Shares** - The Corporation shall cause the shares subject to a Retention Agreement to be distributed to the Participant, or the Participant's Beneficiary in the event of the Participant's death, upon expiration of the retention period or other termination or waiver of the restrictions under this Section 12. The Corporation shall cause the Restricted Stock Units subject to a Retention Agreement to be distributed to the Participant upon the expiration of the retention period or to the Participant's Beneficiary in the event of the Participant's death.

Section 13. DIVIDEND EQUIVALENT PAYMENTS

The Committee may authorize the immediate payment, in cash or in Common Stock, of Dividend Equivalents on some or all of the shares of Common Stock covered by Options or Stock Appreciation Rights, as specified in the Award Agreement required under Section 6(a), Section 7 or Section 8(a) of the Plan. Dividend Equivalents payable on

options may be paid in cash or Common Stock, at the discretion of the Committee.

The Committee may authorize the immediate or deferred payment of Dividend Equivalents on some or all of the shares of Common Stock covered by Restricted Stock Units that are not subject to Performance Goals, as specified in the Award Agreement required under Section 10 of the Plan. Dividend Equivalents payable on Restricted Stock Units may be paid in cash or converted to additional Restricted Stock Units, at the discretion of the Committee and as specified in the Award Agreement.

The Committee may authorize the deferred payment of Dividend Equivalents on some or all of the shares of Common Stock covered by Restricted Stock Units that are subject to Performance Goals, or by Performance Share Units, as specified in the Award Agreement described in Sections 10 or 11 of the Plan. Deferred Dividend Equivalents shall be paid only to the extent Performance Goals are achieved with respect to such Performance Share Units or Restricted Stock Units, and shall be distributed at the same time as the underlying Performance Shares, Restricted Stock Unit Shares, or cash equivalents thereto. Deferred Dividend Equivalents payable on Performance Share Units or on Restricted Stock Units that are subject to a Performance Goal may be paid in cash, or converted to additional Performance Shares or Restricted Stock Unit Shares (as applicable), at the discretion of the Committee and as specified in the Award Agreement.

Notwithstanding the above, Dividend Equivalents shall not be made or accumulated during a Participant's leave of absence. If Dividend Equivalents provided under this section are to be paid immediately, the Dividend Equivalents shall be paid in cash on the date declared by the Board of Directors for the payment of dividends on Common Stock. If Dividend Equivalents provided under this section are to be deferred, the deferred Dividend Equivalents shall be paid or forfeited when the underlying Award is paid or forfeited.

Section 14. NON-COMPETE COVENANT

The Committee, in its sole discretion, may require as a condition of a grant of any Award under the Plan that the Participant execute a non-compete, non-solicitation, and confidentiality agreement, which agreement shall require that such individual (i) not Engage in Competing Employment (as defined in this Section 14 of the Plan) nor solicit any employee of the Corporation or a Subsidiary Company to Engage in Competing Employment for a specified term following termination of employment (including Retirement), (ii) not solicit customers of the Corporation or a Subsidiary Company for a specified term following termination of employment (including Retirement), and (iii) maintain the Corporation's and each Subsidiary Company's confidential information in strict confidence, in accordance with the provisions of the agreement. The Committee, in its sole discretion, may further require as a condition of a grant, exercise, settlement or payment with respect to any Award under the Plan that the Award shall be subject to immediate forfeiture, and all rights of the Participant to such Award shall terminate immediately without further obligation on the part of the Corporation or any Subsidiary Company, if the Participant Engages in Competing Employment for a specified period of time following termination of employment. The terms of such a non-compete covenant shall be as set forth in the agreement or grant providing the terms of an Award and are incorporated herein by reference. A non-compete covenant shall not apply to the settlement or payment of any Option (although it may apply to the grant or exercise of an Option). Settlement or payment of any other Award that is subject to a non-compete covenant shall occur upon the expiration of the Restriction Period, Performance Cycle, Retention Agreement, or other date upon which the Award would be settled and paid if the Participant had not terminated employment.

For this purpose, purposes of the provision, "Engages in Competing Employment" shall mean to work for or provide services for any Competitor, on the Participant's own behalf or in the service of or on behalf of others, including, but not limited to, as a consultant, independent contractor, director, owner, officer, partner, joint venturer, or employee, at any time during the specified period commencing on the date of his or her termination of employment (including Retirement). "Competitor" is shall mean any entity in the same line of business as the Corporation in North American markets in which the Corporation competes, including, but not limited to, any North American Class I rail carrier, any other rail carrier competing with the Corporation (including without limitation a holding or other company that controls or operates or is otherwise affiliated

with any rail carrier competing with the Corporation), and any other provider of transportation services competing with Corporation, including motor and water carriers.

Section 15. CAPITAL ADJUSTMENTS

In the event of a recapitalization, stock split, stock dividend, exchange, combination, or reclassification of shares, merger, consolidation, reorganization, or other change in or affecting the capital structure or capital stock of the Corporation, the Board of Directors, upon the recommendation of the Committee, may make appropriate adjustments in the number of shares of Common Stock authorized for the Plan and in the annual limitation imposed by Section 5 of this Plan; and the Committee may make appropriate adjustments in

the number of shares subject to outstanding Options, Stock Appreciation Rights, Restricted Shares, Restricted Stock Units, or Performance Share Unit grants, and in the Option price of any then outstanding Options, as it deems equitable, in its absolute discretion, to prevent dilution or enlargement of the rights of Participants.

Section 16. REGULATORY APPROVALS

The exercise of each Option and Stock Appreciation Right, and the grant or distribution of Restricted Shares, Restricted Stock Units and Performance Shares, shall be subject to the condition that if at any time the Corporation shall determine in its discretion that the satisfaction of withholding tax or other tax liabilities, or the listing, registration, or qualification of any shares of Common Stock upon any securities exchange or under any Federal or state law, or the consent or approval of any regulatory body, is necessary or desirable as a condition of, or in connection with, such exercise, grant, or distribution, then in any such event such exercise, grant, or distribution shall not be effective unless such liabilities have been satisfied or such listing, registration, qualification, consent, or approval shall have been effected or obtained free of any conditions not acceptable to the Corporation.

In addition, notwithstanding Section 17. TERM OF THE PLAN

Awards may be granted from time to time under the foregoing, the term of this Option shall terminate immediately, terms and all rights conditions of the Participant Plan, but no Incentive Stock Option may be granted after the expiration of ten (10) years from the date of adoption of the Plan, as amended on May 14, 2015, by the Board of Directors; provided, that any future amendment to such Options shall terminate immediately without further obligation on the part Plan that is approved by the stockholders of the Corporation or any Subsidiary Company, if:

- i. in the Participant's employment is terminated by reason manner provided under Section 18 of this Plan shall be regarded as creating a new Plan, and an Incentive Stock Option may be granted under such new Plan until the expiration of ten (10) years from the earlier of the Retirement or Disability of the Participant, and
- ii. it is determined that the Participant engaged in any of the following:
 - A. the Participant engaged in an act of fraud, embezzlement, or theft in connection with the Participant's duties or in the course of the Participant's employment with the Corporation or Subsidiary Company; or
 - B. the Participant disclosed confidential information in violation of a confidentiality agreement with the Corporation or a Subsidiary Company, or otherwise in violation of the law.

A determination under this paragraph shall be made approval by the Committee with respect to a participant who was, at any time, employed at Board of Directors, or the level of Vice President or above, and this determination shall be made approval by the Vice President Human Resources with respect to all other participants, and in either situation upon consultation with the Corporation's chief legal officer.

Participant understands that nothing in this Agreement (1) prohibits or impedes Participant from reporting possible violations stockholders of federal law or regulation to any governmental agency or entity (including but not limited to the Department of Justice, the Securities and Exchange Commission (SEC), the Congress, and any agency Inspector General), from making other disclosures that are protected under the whistleblower provisions of federal law or regulation, or from receiving a monetary award from the SEC related to participation in an SEC investigation or proceeding, or (2) requires Participant to obtain prior authorization of the Corporation to make any such reports or disclosures or to notify the Corporation, of such reports new Plan. Incentive Stock Options theretofore granted may extend beyond the expiration of that ten-year period, and the terms and conditions of the Plan shall continue to apply thereto and to shares of Common Stock acquired upon the subsequent exercise of an Incentive Stock Option or disclosures, related Stock Appreciation Right.

(b) Vesting Section 18. AMENDMENT OR TERMINATION OF THE PLAN

The Corporation may at any time and Exercise of Option. Once vested, this Option may be exercised from time to time alter or amend, in whole or in part, any or all of the provisions of the Plan, or may at any time suspend or times prior terminate the Plan, through resolution of its Board of Directors, provided that no change in any Awards theretofore granted to its expiration;. Except in any Participant may be made which would impair or diminish the case of Retirement or death, one-quarter rights of the Options will vest Participant without the Participant's consent, and become exercisable in installments over four years from provided further, that no alteration or amendment may be made without the On Cycle Award Date on each annual anniversary approval of the On Cycle Award Date. Notwithstanding holders of a majority of the foregoing, Common Stock then outstanding and entitled to vote if the Participant's employment (a) such stockholder approval is necessary to comply with the Corporation or a Subsidiary Company is terminated by reason requirements of any rules promulgated under Section 16 of the Participant's Retirement Securities Exchange Act of 1934 or death before such other Federal or state laws or regulations as may be applicable, (b) the fourth anniversary of amendment materially increases the Award Date, benefits accruing to Participants under the Participant (or, in the case of death, the Participant's Beneficiary) may first exercise this Option on the later of the first anniversary of the Award Date or the effective date of the Participant's Retirement or death. Notice of the exercise of all or any part of this Option shall be given in the manner prescribed by the Secretary of the Corporation. Such notice shall be irrevocable, shall specify Plan, (c) materially increases the number of shares to securities that may be purchased and issued under the purchase price to be paid therefore, and must be accompanied by Plan, or (d) materially modifies the payment of requirements for participation in the purchase price as provided in paragraph 3(c) herein. Upon the exercise of such Option, the Common Stock purchased will be distributed Plan.

(c) **Payment of Option Price.** Section 19. FORFEITURE AND RECOUPMENT EVENTS

The purchase price of Common Stock upon exercise of this Option Committee may specify in an Award Agreement that the Participant's rights, payments, and benefits with respect to an Award shall be paid subject to reduction, forfeiture, or recoupment upon the occurrence of certain specified events, in full addition to the Corporation at the time any otherwise applicable vesting or performance conditions of the exercise of the Option in cash or by the surrender to the Corporation of shares of previously acquired Common Stock which shall have been held by the Participant for at least six months and which shall be valued at Fair Market Value on the date the Option is exercised, or by a combination of cash and such Common Stock.an Award.

(d) **Nontransferability.** This Option may be exercised during the lifetime of the Any Award to a Participant only by the Participant, and following death only by the Participant's Beneficiary. If a Beneficiary dies after the Participant dies but before the Option is exercised and before such rights expire, such rights shall become assets of the Beneficiary's estate. Except as provided in this paragraph, Options may not be assigned or alienated, whether voluntarily or involuntarily including, without limitation, under any domestic relations order, and any such attempted assignment or alienation shall be null, void, and of no effect.

4. **Dividend Equivalent Payments.** Except as otherwise provided herein, the Corporation shall make to the Participant who holds an unvested Option under this Agreement on the declared record date a cash payment on the outstanding unvested shares of Common Stock covered by this Option, in an amount equal Plan is subject to dividends declared by the Board of Directors of the Corporation and paid on Common Stock. If the employment of the Participant is terminated for any reason, including Retirement, Disability reduction, forfeiture, or death, prior to the declared record date for any dividend, the Corporation shall have no further obligation to make any payments commensurate with dividends on shares of Common Stock covered by this Option. Each dividend equivalent shall be equal to the amount of the regular quarterly dividend, and payable on or about the date on which the Corporation pays the regular quarterly dividend on its Common Stock in accordance with the Corporation's normal dividend payment practice as may be determined by the Committee, in its sole discretion. Dividend equivalent payments shall not be made during a Participant's leave of absence.

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5. **Savings Clause for Rules of Professional Responsibility.** Nothing contained in this Agreement will operate or be construed to restrict a lawyer in the practice of law in contravention of Rule 5.6 of the Georgia Rules of Professional Conduct or a similar professional conduct rule applicable to a lawyer who is an active member of any other state bar.

6. **Recoupment.** The Participant acknowledges that the Corporation shall recover from any Participant who is a current or former executive officer all or any portion of any exercised Options recoupment to the extent required by provided under Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act Public Law No. 111-203, or other applicable law, applicable Corporation policy, and/or the requirements of an exchange on which the Corporation's shares are listed for trading, in each case, mandatory or supplemental clawback policies as may be in effect and applicable to a Participant from time to time.

7. **Governing Law.** The Participant agrees that this Award shall be governed by and interpreted in accordance with the laws of the State of Georgia without regard to Georgia's choice of law rules. The Participant consents to the personal jurisdiction of the federal and/or state courts serving the State of Georgia and waives any defenses of forum non conveniens. The Participant agrees that any and all initial judicial actions related to this Award shall only be brought in the United States District Court for the Northern District of Georgia, Atlanta Division, or the Georgia State-wide Business Court, regardless of the place of Participant's residence or work location at the time of such action. Section 20.
MISCELLANEOUS

IN WITNESS WHEREOF, (a) Fractional Shares - The Corporation shall not be required to issue or deliver any fractional share of Common Stock upon the Corporation has caused this Agreement exercise of an Option or Stock Appreciation Right, the award of Performance Shares, the payment of a dividend equivalent in Common Stock pursuant to be executed by its duly authorized officer, and the Participant has executed this Agreement by his or her electronic acceptance hereof, in acceptance of the above-mentioned Award, subject to the terms Section 13 of the Plan and of this Agreement, all as of the day and year first above written.

By:
NORFOLK SOUTHERN CORPORATION

Continued on next page

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THIS AGREEMENT (the "Agreement") is executed by and between /\$ParticipantName\$/ ("Employee") and Norfolk Southern Corporation ("NS" or "Corporation"). Employee has received this Agreement in conjunction with an award agreement under the Norfolk Southern Corporation Long-Term Incentive Plan ("LTIP" or "Plan"). The term NS or Corporation includes NS' subsidiaries and affiliated companies including, but not limited to, Norfolk Southern Railway Corporation and its rail subsidiaries.

WHEREAS, Employee is a participant in the LTIP and is eligible to receive an award under such Plan, subject to certain terms and conditions of that Plan; and

WHEREAS, execution of this Agreement is a condition precedent to Employee's receipt of an award under the LTIP; and

WHEREAS, Employee acknowledges that he or she has been afforded at least 14 days to review the Agreement, and that he or she has been advised to consult with an attorney before signing this Agreement; and

WHEREAS, Employee is willing to enter into this Agreement and deliver same to NS to satisfy that condition in order to receive an award under the LTIP.

NOW THEREFORE the parties hereto do hereby covenant and agree as follows:

1. NS agrees that, upon Employee executing this Agreement, Employee will be provided an award under the LTIP on the terms and conditions set forth in an Award Agreement and will continue to receive confidential NS business and operational information as required by the duties of his or her position.

2. Employee agrees that the LTIP award is consideration for entering into this Agreement and that in consideration of the award Employee will abide by the covenants and obligations contained in this Agreement.

3. Employee agrees that (i) during the term of his or her employment, and (ii) for a period of one (1) year thereafter (irrespective of the reason for such separation, whether voluntary or involuntary) (the "Restricted Period"), Employee will not, within the Territory, on his or her own behalf or in the service of or on behalf of others, work for or provide services to any Competitor of the Corporation wherein Employee would be performing or providing the same or similar services that Employee provided or performed on behalf of the Corporation. The term "Competitor" means any North American Class I rail carrier (including, without limitation, a holding or other company that controls or operates, or is controlled by or under common control with, any North American Class I rail carrier). The term "Territory" means every state in which NS provided rail services during the last two years of Employee's employment with NS.

4. Unless done on behalf of NS, during the Restricted Period, Employee shall not solicit, recruit, entice, or persuade any current employee of the Corporation located within the Territory, and with whom Employee had contact, to leave the employment of the Corporation in order to work for or provide services for any company other than the Corporation.

5. Unless done on behalf of NS, during the Restricted Period, Employee shall not solicit, contact, attempt to divert, or appropriate any customer or account of the Corporation with which Employee had Material Contact, for the purpose of "providing the same or similar services as provided by the Corporation" to that customer or account. The phrase "providing the same or similar services as provided by the Corporation" means being in the same or closely related line of business as the Corporation for or on behalf of a competitor of the Corporation. "Material Contact" means contact between Employee and a customer or account: (1) with whom or which Employee dealt on behalf of the Corporation; (2) whose dealings with the Corporation were coordinated or supervised by Employee; (3) about whom Employee obtained "confidential or proprietary information" in the ordinary course of business as a result of Employee's association with the Corporation; or (4) who receives products or services authorized by the Corporation, the sale or provision of which results or resulted in

compensation, commissions, or earnings for the Corporation within two (2) years prior to the date of Employee's termination.

6. Unless done on behalf of NS, during the Restricted Period, and within the Territory, Employee shall not provide services to any customer or account of the Corporation with which Employee had Material Contact, for the purpose of "providing the same or similar services as provided by the Corporation" to that customer or account.

Nothing contained in the above paragraphs will operate or be construed to restrict a lawyer in the practice of law in contravention of Rule 5.6 of the Georgia Rules of Professional Conduct or a similar professional conduct rule applicable to a lawyer who is an active member of any other state bar.

7. Employee covenants and agrees that any confidential or proprietary information acquired by him or her during his or her employment with the Corporation (including information of or concerning a customer of the Corporation) is the exclusive property of the Corporation, and Employee acknowledges that he or she has no ownership interest or

right of any kind to said property. Except as otherwise required by law, Employee agrees that during his or her employment with the Corporation and after the termination of that employment, and irrespective of the reason for such separation, whether voluntary or involuntary, he or she will not, either directly or indirectly, use, access, disclose, or divulge to any unauthorized party, for his or her own benefit or to the detriment of the Corporation, any confidential or proprietary information of the Corporation which he or she may have acquired or been provided during his or her employment with the Corporation, whether or not developed or compiled by the Employee, and whether or not Employee was authorized to have access to such information. Nothing herein shall affect Employee's obligations as set forth in the award agreement between Employee and the Corporation.

For the purposes of the above, the term "confidential or proprietary information" includes, without limitation, the identity of or other facts relating to the Corporation, its customers and accounts, its marketing strategies, financial data, trade secrets, other intellectual property, or any other information acquired by the Employee as a result of his or her employment with the Corporation such that if such information were disclosed, such disclosure could act to the prejudice of the Corporation. The term "confidential or proprietary information" does not include information that has become generally available to the public by the act of one who has the right to disclose such information without violating any right of the Corporation. The term "unauthorized party" means any firm, entity (including governmental entities), or person (whether outsiders or employees of the Corporation), who is not specifically authorized by the Corporation to receive such confidential or proprietary information.

Employee agrees that if he or she believes that he or she is required by law or otherwise to reveal any confidential or proprietary information of the Corporation, he or she or his or her attorney, except as otherwise prohibited by law, will promptly contact NS's Law Department prior to disclosing such information in order that the Corporation can take appropriate steps to safeguard the disclosure of such confidential and proprietary information.

Nothing in this paragraph or Agreement should be construed, either expressly or by implication, as limiting the maximum protections which may be available to the Corporation under appropriate state and federal common law or statute concerning the obligations and duties of the Employee to protect the Corporation's property and/or confidential and proprietary information, including, but not limited to, under the federal Uniform Trade Secrets Act, the Defend Trade Secrets Act, the Virginia Uniform Trade Secrets Acts, or the Georgia Trade Secrets Act. Employee also acknowledges his or her duty to refrain from any action which would harm or have the potential to harm the Corporation, or the Corporation's customers, including, but not limited to, breaching the fiduciary duties Employee owes the Corporation, both during the Employee's employment and after the termination withholding of that employment.

Employee understands that nothing in this Agreement (1) prohibits or impedes Employee from reporting possible violations of federal law or regulation to any governmental agency or entity (including but not limited to the Department of Justice, the Securities and Exchange Commission (SEC), the Congress, and any agency Inspector General), from making other disclosures that are protected under the whistleblower provisions of federal law or regulation, or from receiving a monetary award from the SEC related to participation in an SEC investigation or proceeding, or (2) requires Employee to obtain prior authorization of the Corporation to make any such reports or disclosures or to notify the Corporation of such reports or disclosures.

Pursuant to 18 USC § 1833(b), an individual may not be held criminally or civilly liable under any federal or state trade secret law for disclosure of a trade secret: (i) made in confidence to a government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law; and/or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Additionally, an individual suing an employer for retaliation based on the reporting of a suspected violation of law may disclose a trade secret to his or her attorney and use the trade secret information in the court proceeding, so long as any document containing the trade secret is filed under seal and the individual does not disclose the trade secret except pursuant to court order.

8. If Employee breaches any portion of this Agreement, Employee agrees that: (a) the Corporation would suffer irreparable harm; (b) it would be difficult to determine damages, and money damages alone would be an inadequate remedy for the injuries suffered by the Corporation; and (c) if the Corporation seeks injunctive relief to enforce this Agreement, Employee shall waive and shall not (i) assert any defense that the Corporation has an adequate remedy at law with respect to the breach, (ii) require that the Corporation submit proof of the economic value of any confidential or proprietary information, or (iii) require the Corporation to post a bond or any other security. Accordingly, in the event of a breach or a threatened breach by Employee of this Agreement, the Corporation shall be entitled to an injunction in a court of law restraining Employee from such breach or threatened breach, as well as recovery of its costs and reasonable attorneys' fees. Nothing herein shall be construed as prohibiting the Corporation from pursuing any other remedies available to it for such breach or threatened breach including the recovery of damages from Employee.

9. The parties agree that this Agreement shall be governed by and interpreted in accordance with the laws of the State of Georgia without regard to Georgia's choice of law rules. Employee consents to the personal jurisdiction of the federal and/or state courts serving the State of Georgia and waives any defenses of forum non conveniens. The parties agree that any and all judicial actions instituted under this Agreement or relating to its enforceability shall only be brought in the United States District Court for the Northern District of Georgia, Atlanta Division, the Georgia State-wide Business Court or Fulton County Superior Court, regardless of the place of Employee's residence or work location at the time of such action.

10. Each provision and sub-provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision or sub-provision of this Agreement shall be adjudged to be invalid under applicable law, the remainder of the Agreement is severable and shall continue in full force and effect. Should a court of competent jurisdiction declare any of the provisions of this Agreement invalid or unenforceable, the parties acknowledge and agree that the court may revise or reconstruct

such invalid or unenforceable provisions to better effectuate the parties' intent to reasonably restrict the activity of the Employee to the greatest extent afforded by law and needed to protect the business interests of the Corporation.

11. Employee understands and agrees that nothing in this Agreement creates a contract of employment for any specific duration. The obligations contained in this Agreement shall survive the termination of the Employee's employment with the Corporation, however caused, and irrespective of the existence of any claim or cause of action by the Employee against the Corporation.

12. This Agreement is effective as of the date of the Employee's electronic acceptance of both this Agreement and the corresponding Award Agreement(s) under LTIP. The terms of this Agreement (and all associated remedial provisions of this Agreement) shall continue until cancelled by a subsequent written agreement between the parties.

Norfolk Southern Corporation Long-Term Incentive Plan Form of Off-Cycle Award Agreement

Performance Share Units

This AGREEMENT dated as of <Date> (Award Date), between NORFOLK SOUTHERN CORPORATION (Corporation), a Virginia corporation, and <Employee Name> (Participant), Employee ID No. <Emp_Id>.

1. Award Contingent Upon Execution of this Agreement and of Non-Compete. This Award is contingent upon the Participant's execution of this Agreement and the associated non-compete agreement (Non-Compete Agreement), which is a condition precedent to this Award. This Award shall be void, and the Participant shall not be entitled to any rights hereunder, unless the Participant executes this Agreement and the noncompete agreement on or before <Date>, and thereafter fully complies with their terms.

2. Terms of Plan Govern. The Award made hereunder is made pursuant to the Norfolk Southern Corporation Long-Term Incentive Plan (Plan), all the terms and conditions of which are deemed to be incorporated in this Agreement and which forms a part of this Agreement. The Participant agrees to be bound by all the terms and conditions of the Plan and this Agreement, and by all determinations of the Committee thereunder. Capitalized terms used in this Agreement but not defined herein shall have the same meanings as in the Plan.

3. Award of Performance Share Units. The Corporation hereby confirms an Award to the Participant on Award Date of <#> Performance Share Units (PSUs). The award of PSUs shall entitle the Participant to receive shares of Common Stock for payment of taxes required to be withheld, but may pay, in lieu thereof, an amount in cash equal to the Fair Market Value of such fractional share.

(b) Withholding - The Corporation and its Subsidiary Companies shall have the right, to the extent permitted by law, to deduct from any payment of any kind otherwise due to a Participant any Federal, state, or local taxes of any kind required by law to be withheld with respect to Awards under the Plan, and to the extent any such withholding requirements are not satisfied, each Participant shall pay to the Corporation upon any Federal, state or local taxes of any kind required by law to be withheld with respect to Awards under the Corporation's achievement over Plan. The Corporation shall have the right to withhold shares of Common Stock, including fractional shares, from payment as necessary to satisfy any withholding obligations, in a Performance Cycle of performance goals established by the Committee in January of the current year for the selected Performance Criteria. The determination of whether the performance goals were achieved shall be a multi-step calculation, as follows, provided that the number of shares earned based on 3.(a) and 3.(b) may not exceed 200% of the number of PSUs stated above:

(a) The initial Performance Criterion will be the average of the Corporation's annual after-tax returns on average invested capital for the three-year Performance Cycle beginning January 1 of the current year.

(b) The number of PSUs earned under (a) will be multiplied by having a factor based on the Corporation's three-year revenue growth as compared Fair Market Value up to the three-year revenue growth of all publicly traded North American Class I railroads, during amount that represents the three-year period beginning December 31, <Year immediately preceding the Award Date> (with revenues adjusted for any significant acquisitions, divestitures or other strategic transactions over the respective period), as set forth maximum statutory tax withholding rate(s) in the following table:

NS Three-Year Revenue Growth vs. Publicly Traded Class I Railroad Companies	Revenue Modifier
1st	1.5
2nd	1.25
≤3rd	No Adjustment

(c) The final number of PSUs earned based on 3.(a) and 3.(b) will be determined by multiplying the number of PSUs earned under 3.(b) by a total shareholder return factor based on the percentile ranking of the three-year total return to the Corporation's stockholders as

compared applicable jurisdiction(s) as elected by each Participant or as otherwise provided by the Committee in its discretion, provided that absent Participant or Committee election to the total shareholder return (TSR) of the publicly traded stocks contrary, comprising the S&P 500 Industrials Index excluding the Corporation determined shall only withhold the minimum number of shares necessary to satisfy any withholding obligations. If fractional shares are withheld, any remaining fractional shares shall be paid in cash to the Participant as provided under paragraph (a) of this Section 20. The Participant or Beneficiary shall remain responsible at all times for paying any Federal, state or local taxes of any kind with respect to Awards under the first trading day Plan. In no event shall the Corporation or the Committee be liable for any interest or penalty that a Participant or Beneficiary incurs by failing to make timely payments of <Year of Award>, as set forth in the following table, with linear interpolation for performance ranking between the levels listed in the table: tax.

NS Three-Year TSR Percentile Rank vs. S&P 500 Industrials Index Companies	TSR Modifier
≥P75.0	1.25
P50.0	1.0
≤P25.0	0.75

For (c) Acceleration of Payments to Avoid Conflicts of Interest - To the extent permitted by Code Section 409A and not prohibited by Section 6(a) of the Plan, the Committee may, in its sole discretion and with the consent of a Participant or Beneficiary, accelerate the time or schedule of a payment under the Plan, or make a substitute cash payment upon cancellation of a Participant's Award, in either case to the extent reasonably necessary for a Participant or Beneficiary to avoid the violation of an applicable Federal, state, local, or foreign ethics law or conflicts of interest law (including where such payment is reasonably necessary to permit the Participant or Beneficiary to participate in activities in the normal course of his or her position in which the Participant or Beneficiary would otherwise not be able to participate under an applicable rule). The Corporation's chief executive officer may exercise the authority granted to the Committee in this purpose, three-year total return shall be measured using paragraph with respect to any Participant or Beneficiary who is neither a current or former director of the average closing price per share Corporation nor a current Executive Officer of stock or equivalent on the New York Stock Exchange (or if unavailable, on another U.S. stock exchange) as determined during the 20 days on which stock is traded ending on and including December 31, <Year preceding award date> and December 31, <3 years after>, or, if a stock is not traded on December 31, <3 years after>, on the most recent trading day immediately preceding such date. Corporation.

(d) Stockholder Rights - No person shall have any rights of a stockholder by virtue of an Option, Stock Appreciation Right, or Performance Share Unit except with respect to shares of Common Stock actually issued to him, and the issuance of shares of Common Stock shall confer no retroactive right to dividends. A company will Participant's right to receive Dividend Equivalents shall not, by itself, confer upon the Participant the rights or privileges of a stockholder.

(e) No Contract of Employment - This Plan shall not be excluded from the ranking under (b) and/or (c) if it ceases to be publicly traded at any time during the three-year period as a result of the company's being acquired by another company or going private, but included and ranked at the bottom of the group if the company ceases to be publicly traded as a result of becoming subject to a bankruptcy, reorganization, or liquidation proceeding.

4. Forfeiture of Performance Share Units.

(a) If the Participant's employment is terminated for any reason other than the Participant's Retirement, Disability, or death before the expiration of the Performance Cycle then all PSUs awarded hereunder shall be forfeited immediately and all the Participant's rights to such shares shall terminate immediately without further obligation on the part of contract between the Corporation or any Subsidiary Company.

(b) If Company and any Participant or other employee. Nothing contained herein, or in any agreement, certificate or other document evidencing, providing for, or setting forth the Participant's employment is terminated by reason of the Participant's Retirement before December 31, <Year_of_Grant>, then a portion of the PSUs will be forfeited immediately, with the portion forfeited determined by dividing the number of Performance Share Units granted under Section 3 by 12, multiplying the result by the number of full months in which the Participant was not employed by the Corporation during <Year_of_Grant>, terms and then rounding to the nearest whole number.

(c) If the Participant is granted a leave of absence before the end of the Performance Cycle, the Participant shall not forfeit rights with respect conditions applicable to any Performance Shares that were being earned during the Performance Cycle, unless the Participant's employment with the Corporation Awards shall be deemed to confer upon any Participant or other employee a Subsidiary Company terminates at any time during or at the end of the leave of absence and before the end of the Performance Cycle, at which time the Participant shall forfeit all rights with respect right to any Performance Shares that were being earned during the Performance Cycle.

(d) Notwithstanding any provision of this Agreement to the contrary, if the Participant's employment is terminated by reason of the Retirement or Disability of the

Participant, and if the Participant Engages in Competing Employment within a period of two years following Retirement or Disability and before the end of the Performance Cycle, the Participant shall immediately forfeit all rights with respect to any Performance Shares that were being earned during the Performance Cycle without further obligation on the part of the Corporation or any Subsidiary Company.

A Participant "Engages in Competing Employment" if the Participant, in any state in which the Corporation provided rail services during Participant's employment with the Corporation, works for or provides the same or similar services Participant provided on behalf of the Corporation for any Competitor. For this purpose, a "Competitor" is any entity continue in the same line of business as the Corporation in North American markets in which the Corporation competes, including, but not limited to, any North American Class I rail carrier, any other rail carrier competing with the Corporation (including without limitation a holding or other company that controls or operates or is otherwise affiliated with any rail carrier competing with the Corporation), and any other provider of transportation services competing with Corporation, including motor and water carriers.

Moreover, notwithstanding the foregoing, the Participant shall immediately forfeit all rights with respect to any Performance Shares that were being earned during the Performance Cycle without further obligation on the part employment of the Corporation or any Subsidiary Company, if:

- iii. the Participant's employment is terminated by reason of the Retirement or Disability of the Participant before the expiration of the Performance Cycle, and
- iv. it is determined that the Participant engaged in any of the following:

- C. the Participant engaged in an act of fraud, embezzlement, or theft in connection to interfere with the Participant's duties or in the course of the Participant's employment with the Corporation or Subsidiary Company; or
- D. the Participant disclosed confidential information in violation of a confidentiality agreement with the Corporation or a Subsidiary Company, or otherwise in violation of the law.

A determination under this paragraph shall be made by the Committee with respect to a participant who was, at any time, employed at the level of Vice President or above, and this determination shall be made by the Vice President Human Resources with respect to all other participants, and in either situation upon consultation with the Corporation's chief legal officer.

(e) Participant understands that nothing in this Agreement (1) prohibits or impedes Participant from reporting possible violations of federal law or regulation to any governmental agency or entity (including but not limited to the Department of Justice, the Securities and Exchange Commission (SEC), the Congress, and any agency Inspector General), from making other disclosures that are protected under the whistleblower provisions of federal law or regulation, or from receiving a monetary award from the SEC related to participation in an SEC investigation or proceeding, or (2) requires Participant to obtain prior authorization of the Corporation to make any such reports or disclosures or to notify the Corporation of such reports or disclosures.

5. Distribution of Performance Share Units.

Any PSUs earned at the end of the three-year Performance Cycle shall be distributed in whole shares of Common Stock of the Corporation, subject to tax withholding as provided in Section 7 of this Agreement, and unless otherwise determined by the Corporation any fractional share shall be added to the federal tax withholding amount. At all times until the shares of Common Stock of the Corporation, if any, are actually issued in accordance with this Section 5, the Award remains an unfunded, unsecured promise to deliver shares in the future.

Except as provided in Section 4, if a Participant's employment is terminated before the end of the Performance Cycle by reason of the Participant's Retirement after December 31, /\$YearofGrant\$, or by

reason of the Participant's Disability or death, the Participant's rights with respect to any Performance Shares being earned during the Performance Cycle shall continue as if the Participant's employment had continued through the end of the Performance Cycle.

No dividend equivalent payments shall be made with respect to the award of PSUs hereunder.

6. Savings Clause for Rules of Professional Responsibility. Nothing contained in this Agreement will operate or be construed to restrict a lawyer in the practice of law in contravention of Rule 5.6 of the Georgia Rules of Professional Conduct or a similar professional conduct rule applicable to a lawyer who is an active member of any other state bar.

7. Tax Withholding. The minimum necessary tax withholding obligation with respect to an award of PSUs will be satisfied with shares of Common Stock of the Corporation based on the Fair Market Value of the Corporation's Common Stock on the first day on which such stock is traded after a full trading day has elapsed following the release of the Corporation's annual financial information for the last year of the Performance Cycle, regardless of when any such Common Stock is actually delivered to the Participant's account. Unless otherwise determined by the Corporation, the value of any fractional share amount created as a result of withholding will be added to the federal tax withholding amount.

8. Nontransferability. This Agreement and the PSUs granted to the Participant shall not be subject to any assignment, pledge, levy, garnishment, attachment, or other attempt to assign or alienate such shares prior to their delivery to Participant (or Participant's Beneficiary), including, without limitation, under any domestic relations order, and any such attempted assignment or alienation shall be null, void, and of no effect.

9. Recoupment. The Participant acknowledges that the Corporation shall recover from any Participant who is a current or former executive officer all or any portion of any PSUs awarded to the extent required by Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Public Law No. 111-203, law, applicable Corporation policy, and/or the requirements of an exchange on which the Corporation's shares are listed for trading, in each case, as in effect from time to time. In addition, any Participant who at any time is a Board-elected officer at the level of Vice President or above agrees that he or she will, upon the demand of the Board of Directors, reimburse all or any portion of PSUs awarded if (a) financial results are restated due to the material noncompliance of the Corporation with any financial reporting requirement under the securities laws, (b) a lower PSU distribution would have been made to the officer based upon the restated financial results, and (c) the PSUs were distributed within the three-year period prior to the date

the applicable restatement was disclosed. The Participant acknowledges and agrees that the Board of Directors or the Corporation may, without waiving any other legal remedy allowed by law, deduct the full amount of such repayment obligation from any amounts the Corporation then owes, or will in the future owe, to the Participant. Nothing in this Agreement shall waive the Committee's, Board of Directors', or Corporation's rights to take any such other action as the Committee, Board of Directors, or the Corporation may deem appropriate in view of all the facts surrounding the particular financial restatement.

10. Governing Law. The Participant agrees that this Award shall be governed by and interpreted in accordance with the laws of the State of Georgia without regard to Georgia's choice of law rules. The Participant consents to the personal jurisdiction of the federal and/or state courts serving the State of Georgia and waives any defenses of forum non conveniens. The Participant agrees that any and all initial judicial actions related to this Award shall only be brought in the United States District Court for the Northern District of Georgia, Atlanta Division, or the Georgia State-wide Business Court regardless of the place of Participant's residence or work location at the time of such action.

IN WITNESS WHEREOF, the Corporation has caused this Agreement to be executed by its duly authorized officer, and the Participant has executed this Agreement by his or her electronic acceptance

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hereof, in acceptance of the above-mentioned Award, subject to the terms of the Plan and of this Agreement, all as of the day and year first above written.

By:

NORFOLK SOUTHERN CORPORATION

<Year> Non-Compete Agreement

Associated With Award Agreement Under

The Norfolk Southern Corporation Long-Term Incentive Plan

THIS AGREEMENT (the "Agreement") is executed by and between /\$ParticipantName\$/ ("Employee") and Norfolk Southern Corporation ("NS" or "Corporation"). Employee has received this Agreement in conjunction with an award agreement under the Norfolk Southern Corporation Long-Term Incentive Plan ("LTIP" or "Plan"). The term NS or Corporation includes NS' subsidiaries and affiliated companies including, but not limited to, Norfolk Southern Railway Corporation and its rail subsidiaries.

WHEREAS, Employee is a participant in the LTIP and is eligible to receive an award under such Plan, subject to certain terms and conditions of that Plan; and

WHEREAS, execution of this Agreement is a condition precedent to Employee's receipt of an award under the LTIP; and

WHEREAS, Employee acknowledges that he or she has been afforded at least 14 days to review the Agreement, and that he or she has been advised to consult with an attorney before signing this Agreement; and

WHEREAS, Employee is willing to enter into this Agreement and deliver same to NS to satisfy that condition in order to receive an award under the LTIP.

NOW THEREFORE the parties hereto do hereby covenant and agree as follows:

1. NS agrees that, upon Employee executing this Agreement, Employee will be provided an award under the LTIP on the terms and conditions set forth in an Award Agreement and will continue to receive confidential NS business and operational information as required by the duties of his or her position.
2. Employee agrees that the LTIP award is consideration for entering into this Agreement and that in consideration of the award Employee will abide by the covenants and obligations contained in this Agreement.
3. Employee agrees that (i) during the term of his or her employment, and (ii) for a period of one (1) year thereafter (irrespective of the reason for such separation, whether voluntary or involuntary) (the "Restricted Period"), Employee will not, within the Territory, on his or her own behalf or in the service of or on behalf of others, work for or provide services to any Competitor of the Corporation wherein Employee would be performing or providing the same or similar services that Employee provided or performed on behalf of the Corporation. The term "Competitor" means any North American Class I rail carrier (including, without limitation, a holding or other company that controls or operates, or is controlled by or under common control with, any North American Class I rail carrier). The term "Territory" means every state in which NS provided rail services during the last two years of Employee's employment with NS.

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4. Unless done on behalf of NS, during the Restricted Period, Employee shall not solicit, recruit, entice, or persuade any current employee of the Corporation located within the Territory, and with whom Employee had contact, to leave the employment of the Corporation in order to work for or provide services for any company other than the Corporation.

5. Unless done on behalf of NS, during the Restricted Period, Employee shall not solicit, contact, attempt to divert, or appropriate any customer or account of the Corporation with which Employee had Material Contact, for the purpose of "providing the same or similar services as provided by the Corporation" to that customer or account. The phrase "providing the same or similar services as provided by the Corporation" means being in the same or closely related line of business as the Corporation for or on behalf of a competitor of the Corporation. "Material Contact" means contact between Employee and a customer or account: (1) with whom or which Employee dealt on behalf of the Corporation; (2) whose dealings with the Corporation were coordinated or supervised by Employee; (3) about whom Employee obtained "confidential or proprietary information" in the ordinary course of business as a result of Employee's association with the Corporation; or (4) who receives products or services authorized by the Corporation, the sale or provision of which results or resulted in compensation, commissions, or earnings for the Corporation within two (2) years prior to the date of Employee's termination.

6. Unless done on behalf of NS, during the Restricted Period, and within the Territory, Employee shall not provide services to any customer or account of the Corporation with which Employee had Material Contact, for the purpose of "providing the same or similar services as provided by the Corporation" to that customer or account.

Nothing contained in the above paragraphs will operate or be construed to restrict a lawyer in the practice of law in contravention of Rule 5.6 of the Georgia Rules of Professional Conduct or a similar professional conduct rule applicable to a lawyer who is an active member of any other state bar.

7. Employee covenants and agrees that any confidential or proprietary information acquired by him or her during his or her employment with the Corporation (including information of or concerning a customer of the Corporation) is the exclusive property of the Corporation, and Employee acknowledges that he or she has no ownership interest or right of any kind to said property. Except as otherwise required by law, Employee agrees that during his or her employment with the Corporation and after the termination of that employment, and irrespective of the reason for such separation, whether voluntary or involuntary, he or she will not, either directly or indirectly, use, access, disclose, or divulge to any unauthorized party, for his or her own benefit or to the detriment of the Corporation, any confidential or proprietary information of the Corporation which he or she may have acquired or been provided during his or her employment with the Corporation, whether or not developed or compiled by the Employee, and whether or not Employee was authorized to have access to such information. Nothing herein shall affect Employee's obligations as set forth in the award agreement between Employee and the Corporation.

For the purposes of the above, the term "confidential or proprietary information" includes, without limitation, the identity of or other facts relating to the Corporation, its customers and accounts, its marketing strategies, financial data, trade secrets, other intellectual property, or any other information acquired by the Employee as a result of his or her employment with the Corporation such that if such information were disclosed, such disclosure could act to the prejudice of the Corporation. The term "confidential or proprietary information" does not include information that has become generally available to the public by the act of one who has the right to disclose such information without violating any right of the Corporation. The term "unauthorized party" means any firm, entity (including governmental entities), or person (whether outsiders or employees of the Corporation), who is not specifically authorized by the Corporation to receive such confidential or proprietary information.

Employee agrees that if he or she believes that he or she is required by law or otherwise to reveal any confidential or proprietary information of the Corporation, he or she or his or her attorney, except as otherwise prohibited by law, will promptly contact NS's Law Department prior to disclosing such information in order that the Corporation can take appropriate steps to safeguard the disclosure of such confidential and proprietary information.

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Nothing in this paragraph or Agreement should be construed, either expressly or by implication, as limiting the maximum protections which may be available to the Corporation under appropriate state and federal common law or statute concerning the obligations and duties of the Employee to protect the Corporation's property and/or confidential and proprietary information, including, but not limited to, under the federal Uniform Trade Secrets Act, the Defend Trade Secrets Act, the Virginia Uniform Trade Secrets Act, or the Georgia Trade Secrets Act. Employee also acknowledges his or her duty to refrain from any action which would harm or have the potential to harm the Corporation, or the Corporation's customers, including, but not limited to, breaching the fiduciary duties Employee owes the Corporation, both during the Employee's employment and after the termination of that employment.

Employee understands that nothing in this Agreement (1) prohibits or impedes Employee from reporting possible violations of federal law or regulation to any governmental agency or entity (including but not limited to the Department of Justice, the Securities and Exchange Commission (SEC), the Congress, and any agency Inspector General), from making other disclosures that are protected under the whistleblower provisions of federal law or regulation, or from receiving a monetary award from the SEC related to participation in an SEC investigation or proceeding, or (2) requires Employee to obtain prior authorization of the Corporation to make any such reports or disclosures or to notify the Corporation of such reports or disclosures.

Pursuant to 18 USC § 1833(b), an individual may not be held criminally or civilly liable under any federal or state trade secret law for disclosure of a trade secret: (i) made in confidence to a government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law; and/or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Additionally, an individual suing an employer for retaliation based on the reporting of a suspected violation of law may disclose a trade secret to his or her attorney and use the trade secret information in the court proceeding, so long as any document containing the trade secret is filed under seal and the individual does not disclose the trade secret except pursuant to court order.

8. If Employee breaches any portion of this Agreement, Employee agrees that: (a) the Corporation would suffer irreparable harm; (b) it would be difficult to determine damages, and money damages alone would be an inadequate remedy for the injuries suffered by the Corporation; and (c) if the Corporation seeks injunctive relief to enforce this Agreement, Employee shall waive and shall not (i) assert any defense that the Corporation has an adequate remedy at law with respect to the breach, (ii) require that the Corporation submit proof of the economic value of any confidential or proprietary information, or (iii) require the Corporation to post a bond or any other security. Accordingly, in the event of a breach or a threatened breach by Employee of this Agreement, the Corporation shall be entitled to an injunction in a court of law restraining Employee from such breach or threatened breach, as well as recovery of its costs and reasonable attorneys' fees. Nothing herein shall be construed as prohibiting the Corporation from pursuing any other remedies available to it for such breach or threatened breach including the recovery of damages from Employee.

9. The parties agree that this Agreement shall be governed by and interpreted in accordance with the laws of the State of Georgia without regard to Georgia's choice of law rules. Employee consents to the personal jurisdiction of the federal and/or state courts serving the State of Georgia and waives any defenses of *forum non conveniens*. The parties agree that any and all judicial actions instituted under this Agreement or relating to its enforceability shall only be brought in the United States District Court for the Northern District of Georgia, Atlanta Division, the Georgia State-wide Business Court or Fulton County Superior Court, regardless of the place of Employee's residence or work location at the time of such action.

10. Each provision and sub-provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision or sub-provision of this Agreement shall be adjudged to be invalid under applicable law, the remainder of the Agreement is severable and shall continue in full force and effect. Should a court of competent jurisdiction declare any of the provisions of this Agreement invalid or unenforceable, the parties acknowledge and agree that the court may revise or reconstruct such invalid or unenforceable provisions to better effectuate the parties' intent to reasonably restrict the activity of the Employee to the greatest extent afforded by law and needed to protect the business interests of the Corporation.

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11. Employee understands and agrees that nothing in this Agreement creates a contract of employment for any specific duration. The obligations contained in this Agreement shall survive the termination of the Employee's employment with the Corporation, however caused, and irrespective of the existence of any claim or cause of action by the Employee against the Corporation.

12. This Agreement is effective as of the date of the Employee's electronic acceptance of both this Agreement and the corresponding Award Agreement(s) under LTIP. The terms of this Agreement (and all associated remedial provisions of this Agreement) shall continue until cancelled by a subsequent written agreement between the parties.

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Exhibit 10 (mm)

Norfolk Southern Corporation Long-Term Incentive Plan

Form of Off-Cycle Award Agreement

Restricted Stock Units

This AGREEMENT dated as of /\$GrantDate\$/ (Award Date), between NORFOLK SOUTHERN CORPORATION (Corporation), a Virginia corporation, and /\$ParticipantName\$/ (Participant), Employee ID No. /\$UserText1\$/.

1. Award Contingent Upon Execution of this Agreement and of Non-Compete. This Award is contingent upon the Participant's execution of this Agreement and the associated non-compete agreement (Non-Compete Agreement), which is a condition precedent to this Award. This Award shall be void, and the Participant shall not be entitled to any rights

hereunder, unless the Participant executes this Agreement and the Non-Compete Agreement on or before /\$AcceptByDate\$/, and thereafter fully complies with their terms. The Participant will be paid the first Dividend Equivalent payable under Section 4 of this Agreement only if the Participant executes this Agreement and the Non-Compete Agreement on or before <Date_2>.

2. Terms of Plan Govern. The Award made hereunder is made pursuant to the Norfolk Southern Corporation Long-Term Incentive Plan (Plan), all the terms and conditions of which are deemed to be incorporated in this Agreement and which forms a part of this Agreement. The Participant agrees to be bound by all the terms and provisions of the Plan and this Agreement, and by all determinations of the Committee thereunder. Capitalized terms used in this Agreement but not defined herein shall have the same meanings as in the Plan.

3. Award of Restricted Stock Units. The Corporation hereby grants to the Participant on Award Date /\$AwardsGranted\$/ Restricted Stock Units. Each Restricted Stock Unit is a contingent right to receive a Restricted Stock Unit Share, subject to the restrictions and other terms and conditions set forth in the Plan and this Agreement. Each Restricted Stock Unit shall equal the Fair Market Value of one share of the Common Stock of the Corporation on the date all applicable restrictions lapse.

The Participant's Award of Restricted Stock Units shall be recorded in a memorandum account. The Participant shall have no beneficial ownership interest in the Common Stock of the Corporation represented by the Restricted Stock Units awarded. The Participant shall have no right to vote the Common Stock represented by the Restricted Stock Units awarded or to receive dividends, except for Dividend Equivalent payments as set forth below.

(a) Restriction Periods. The Restricted Stock Units are subject to Restriction Periods. The Restriction Periods for ratable portions of the Restricted Stock Units shall terminate with the first Restriction Period terminating on the second anniversary of the On-Cycle Award Date, and the subsequent Restriction Periods terminating on the third and fourth anniversaries of the On-Cycle Award Date, or if Corporation's Common Stock is not traded on any such termination date, on the next preceding date on which the Corporation's Common Stock is traded. If the termination of a Restriction Period will result in a fractional share, then the amount shall be rounded down to the nearest whole share and the Restriction Period for all fractional shares shall terminate upon the expiration of the last Restriction Period for the Award. For purposes of this Agreement, "On-Cycle Award Date" shall mean the Award Date for RSUs awarded in January of the current year.

(b) Restrictions. Until the expiration of the Restriction Period or the lapse of restrictions in the manner provided in paragraph 3(c) of this Agreement, Restricted Stock Units shall be subject to the following restrictions:

- i.** the Participant shall not be entitled to receive the Restricted Stock Unit Shares which the Participant may have a contingent right to receive in the future;
- ii.** the Restricted Stock Units may not be sold, transferred, assigned, pledged, conveyed, hypothecated, used to exercise options, or otherwise disposed of; and
- iii.** the Restricted Stock Units may be forfeited immediately as provided in this Agreement and in the Plan.

(c) Forfeiture of Restricted Stock Units.

i. If the Participant's employment is terminated by reason of the Retirement of the Participant before December 31, <Year_of_Grant>, then a portion of the Restricted Stock Units shall be forfeited immediately and all rights of the Participant to such Units shall terminate immediately without further obligation on the part of the Corporation or any Subsidiary Company. The portion to be forfeited under this paragraph will be determined by dividing the number of Restricted Stock Units granted under Section 3(a) by 12, multiplying the result by the number of full months in which the Participant was not employed by the Corporation during <Year_of_Grant>, and then rounding to the nearest whole number.

ii. If the Participant's employment is terminated for any reason other than Retirement, Disability, or death, any Restricted Stock Units that are subject to a Restriction Period shall be forfeited immediately without further obligation on the part of the Corporation or any Subsidiary Company to terminate the employment of such Participant or employee at any time.

(f) Unfunded Plan - Except as may otherwise be provided in the Plan, the Plan shall be unfunded. Neither the Corporation nor any Subsidiary Company shall be required to segregate any assets that may be represented by Options, Stock Appreciation Rights, Performance Share Units, or Restricted Stock Units, and all rights neither the Corporation nor any Subsidiary Company shall be deemed to be a trustee of any amounts to be paid under an Option, Stock Appreciation Right, Performance Share Unit, or Restricted Stock Unit. Any liability of the Corporation to pay any Participant or Beneficiary with respect to such an Option, Stock Appreciation Right, Performance Share Unit, or Restricted Stock Units shall terminate. If based solely upon any contractual obligations created pursuant to the Participant is granted a leave of absence before the expiration provisions of the Restriction Period, the Participant Plan; no such obligation shall not forfeit be deemed to be secured by any rights with respect to pledge or encumbrance on any Restricted Stock Units subject to the Restriction Period, except for Dividend Equivalent Payments as provided in Section 4 property of this Agreement, unless the Participant's employment with the

Corporation or a Subsidiary Company terminates at any time during or at the end of the leave of absence and before the expiration of the Restriction Period, at which time all rights of the Participant with respect to such Restricted Stock Units shall terminate without further obligation on the part of the Corporation or any Subsidiary Company.

iii. Notwithstanding any provision of this Agreement to the contrary, if the Participant's employment is terminated by reason of the Retirement or Disability of the Participant, (g) Applicable Law - The Plan, its validity, interpretation, and administration, and the Participant Engages in Competing Employment within a period of two years following Retirement or Disability, and before the expiration of the Restriction Period, then any Restricted Stock Units subject to a Restriction Period shall be forfeited immediately and all rights of the Participant to such Units shall terminate without further obligation on the part of the Corporation or any Subsidiary Company.

A Participant "Engages in Competing Employment" if the Participant, in any state in which the Corporation provided rail services during Participant's employment with the Corporation, works for or provides the same or similar services Participant provided on behalf of the Corporation for any Competitor. For this purpose, a "Competitor" is any entity in the same line of business as the Corporation in North American markets in which the Corporation competes, including, but not limited to, any North American Class I rail carrier, any other rail carrier competing with the Corporation (including without limitation a holding or other company that controls or operates or is otherwise affiliated with any rail carrier competing with the Corporation), and any other provider of transportation services competing with Corporation, including motor and water carriers.

Moreover, notwithstanding any provision of this Agreement to the contrary, the Restricted Stock Units shall be forfeited immediately and all rights of the Participant to such Units shall terminate if:

- A. the Participant's employment is terminated by reason of the Retirement or Disability of the Participant before the expiration of the Restriction Period, and
- B. it is determined that the Participant engaged in any of the following:
 - 1. the Participant engaged in an act of fraud, embezzlement, or theft in connection with the Participant's duties or in the course of the Participant's employment with the Corporation or Subsidiary Company; or
 - 2. the Participant disclosed confidential information in violation of a confidentiality agreement with the Corporation or a Subsidiary Company, otherwise in violation of the law.

A determination under this paragraph shall be made by the Committee with respect to a participant who was, at any time, employed at the level of Vice President or above, and this determination shall be made by the Vice President Human Resources with respect to all other participants, and in either situation upon consultation with the Corporation's chief legal officer.

Participant understands that nothing in this Agreement (1) prohibits or impedes Participant from reporting possible violations of federal law or regulation to any governmental agency or entity (including but not limited to the Department of Justice, the Securities and Exchange Commission (SEC), the Congress, and any agency Inspector General), from making other disclosures that are protected under the whistleblower provisions of federal law or regulation, or from receiving a monetary award from the SEC related to participation in an SEC investigation or proceeding, or (2) requires Participant to obtain prior authorization of the Corporation to make any such reports or disclosures or to notify the Corporation of such reports or disclosures.

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(d) Distribution of Restricted Stock Units.

i. Restricted Stock Units that are not forfeited as provided above shall vest upon the expiration of each Restriction Period. Notwithstanding the foregoing, (A) if the Participant dies after Retirement, then Restricted Stock Units that were not forfeited as provided in Section 3(c)(i) above shall vest upon the Participant's death, and the Restriction Periods on those Restricted Stock Units shall lapse immediately, and (B) if the Participant dies while employed by the Corporation, or the Participant dies after his Retirement or Disability, and before the entire Award has been distributed, then the Restricted Stock Units shall all vest upon the Participant's death, and all the Restriction Periods on the Restricted Stock Units shall lapse immediately.

ii. Upon each vesting and expiration of the Restriction Periods applicable to the Restricted Stock Units, a whole number of shares of Common Stock of the Corporation equal to the ratable number of Restricted Stock Units scheduled to vest on the date the applicable Restriction Period ended shall be distributed to the Participant or the Participant's Beneficiary in the event of the Participant's death, subject to tax withholding as provided in Section 6 of this Agreement. At all times until the shares of Common Stock of the Corporation, if any, are actually issued in accordance with this Section, the Award remains an unfunded, unsecured promise to deliver shares in the future.

iii. The Committee, in its sole discretion, may waive any or all restrictions with respect to Restricted Stock Units. Notwithstanding any waiver, any delivery of Restricted Stock Units to the Participant may not be made earlier than delivery would have been made absent such waiver of restrictions.

4. Dividend Equivalent Payments. Except as otherwise provided herein, the Corporation shall make to a Participant who holds Restricted Stock Units on the declared record date a cash dividend equivalent payment on the number of shares of Common Stock represented by the Restricted Stock Units held by Participant on such record date. Each dividend equivalent shall be equal to the regular quarterly dividend declared by the Board of Directors of the Corporation and paid on Common Stock, and payable on or about the date on which the Corporation pays the regular quarterly dividend on its Common Stock in accordance with the Corporation's normal dividend payment practice as may be determined by the Committee, in its sole discretion. Dividend equivalent payments shall not be made during a Participant's leave of absence.

5. **Savings Clause for Rules of Professional Responsibility.** Nothing contained in this Agreement will operate or be construed to restrict a lawyer in the practice of law in contravention of Rule 5.6 of the Georgia Rules of Professional Conduct or a similar professional conduct rule applicable to a lawyer who is an active member of any other state bar.

6. **Tax Withholding.** The minimum necessary tax withholding obligation with respect to an award of Restricted Stock Units will be satisfied with shares of Common Stock of the Corporation based on the Fair Market Value of the Corporation's Common Stock on the expiration of the Restriction Period with respect to such Restricted Stock Units, regardless of when any such Common Stock is actually delivered to the Participant's account. Unless otherwise determined by the Corporation, the value of any fractional share amount created as a result of withholding will be added to the federal tax withholding amount.

7. **Nontransferability.** This Agreement and the RSUs granted to the Participant shall not be subject to any assignment, pledge, levy, garnishment, attachment, or other attempt to assign or alienate such shares prior to their delivery to Participant (or Participant's beneficiary), including, without limitation, under any domestic relations order, and any such attempted assignment or alienation shall be null, void, and of no effect.

8. **Governing Law.** The Participant agrees that this Award shall be governed by and interpreted in accordance with the laws of the State of Georgia without regard to Georgia's choice of law rules. The Participant consents to the personal jurisdiction of the federal and/or state courts serving the State of Georgia and waives any defenses of forum non conveniens. The Participant agrees that any and all initial judicial actions related to this Award shall only be brought in the United States District Court for the Northern District of Georgia, Atlanta Division, or the Georgia State-wide Business Court, regardless of the place of Participant's residence or work location at the time of such action.

IN WITNESS WHEREOF, the Corporation has caused this Agreement to be executed by its duly authorized officer, and the Participant has executed this Agreement by his or her electronic acceptance

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hereof, in acceptance of the above-mentioned Award, subject to the terms of the Plan and of this Agreement, all as of the day and year first above written.

By:
NORFOLK SOUTHERN CORPORATION

Continued on next page

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<Year> Non-Compete Agreement
Associated With Award Agreement Under
The Norfolk Southern Corporation Long-Term Incentive Plan

THIS AGREEMENT (the "Agreement") is executed by and between /\$ParticipantName\$/ ("Employee") and Norfolk Southern Corporation ("NS" or "Corporation"). Employee has received this Agreement in conjunction with an award agreement under the Norfolk Southern Corporation Long-Term Incentive Plan ("LTIP" or "Plan"). The term NS or Corporation includes NS' subsidiaries and affiliated companies including, but not limited to, Norfolk Southern Railway Corporation and its rail subsidiaries.

WHEREAS, Employee is a participant in the LTIP and is eligible to receive an award under such Plan, subject to certain terms and conditions of that Plan; and

WHEREAS, execution of this Agreement is a condition precedent to Employee's receipt of an award under the LTIP; and

WHEREAS, Employee acknowledges that he or she has been afforded at least 14 days to review the Agreement, and that he or she has been advised to consult with an attorney before signing this Agreement; and

WHEREAS, Employee is willing to enter into this Agreement and deliver same to NS to satisfy that condition in order to receive an award under the LTIP.

NOW THEREFORE the parties hereto do hereby covenant and agree as follows:

1. NS agrees that, upon Employee executing this Agreement, Employee will be provided an award under the LTIP on the terms and conditions set forth in an Award Agreement and will continue to receive confidential NS business and operational information as required by the duties of his or her position.
2. Employee agrees that the LTIP award is consideration for entering into this Agreement and that in consideration of the award Employee will abide by the covenants and obligations contained in this Agreement.
3. Employee agrees that (i) during the term of his or her employment, and (ii) for a period of one (1) year thereafter (irrespective of the reason for such separation, whether voluntary or involuntary) (the "Restricted Period"), Employee will not, within the Territory, on his or her own behalf or in the service of or on behalf of others, work for or provide services to any Competitor of the Corporation wherein Employee would be performing or providing the same or similar services that Employee provided or performed on behalf of the Corporation. The term "Competitor" means any North American Class I rail carrier (including, without limitation, a holding or other company that controls or operates, or is controlled by or under common control with, any North American Class I rail carrier). The term "Territory" means every state in which NS provided rail services during the last two years of Employee's employment with NS.
4. Unless done on behalf of NS, during the Restricted Period, Employee shall not solicit, recruit, entice, or persuade any current employee of the Corporation located within the Territory, and with whom Employee had contact, to leave the employment of the Corporation in order to work for or provide services for any company other than the Corporation.
5. Unless done on behalf of NS, during the Restricted Period, Employee shall not solicit, contact, attempt to divert, or appropriate any customer or account of the Corporation with which Employee had Material Contact, for the purpose of "providing the same or similar services as provided by the Corporation" to that customer or account. The phrase "providing the same or similar services as provided by the Corporation" means being in the same or closely related line of business as the Corporation for or on behalf of a competitor of the Corporation. "Material Contact" means contact between Employee and a customer or account: (1) with whom or which Employee dealt on behalf of the Corporation; (2) whose dealings with the Corporation were coordinated or supervised by Employee; (3) about whom Employee obtained "confidential or proprietary information" in the ordinary course of business as a result of Employee's association with the Corporation; or (4) who receives products or services authorized by the Corporation, the sale or provision of which results or resulted in

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compensation, commissions, or earnings for the Corporation within two (2) years prior to the date of Employee's termination.

6. Unless done on behalf of NS, during the Restricted Period, and within the Territory, Employee shall not provide services to any customer or account of the Corporation with which Employee had Material Contact, for the purpose of "providing the same or similar services as provided by the Corporation" to that customer or account.

Nothing contained in the above paragraphs will operate or be construed to restrict a lawyer in the practice of law in contravention of Rule 5.6 of the Georgia Rules of Professional Conduct or a similar professional conduct rule applicable to a lawyer who is an active member of any other state bar.

7. Employee covenants and agrees that any confidential or proprietary information acquired by him or her during his or her employment with the Corporation (including information of or concerning a customer of the Corporation) is the exclusive property of the Corporation, and Employee acknowledges that he or she has no ownership interest or right of any kind to said property. Except as otherwise required by law, Employee agrees that during his or her employment with the Corporation and after the termination of that employment, and irrespective of the reason for such separation, whether voluntary or involuntary, he or she will not, either directly or indirectly, use, access, disclose, or divulge to any unauthorized party, for his or her own benefit or to the detriment of the Corporation, any confidential or proprietary information of the Corporation which he or she may have acquired or been provided during his or her employment with the Corporation, whether or not developed or compiled by the Employee, and whether or not Employee was authorized to have access to such information. Nothing herein shall affect Employee's obligations as set forth in the award agreement between Employee and the Corporation.

For the purposes of the above, the term "confidential or proprietary information" includes, without limitation, the identity of or other facts relating to the Corporation, its customers and accounts, its marketing strategies, financial data, trade secrets, other intellectual property, or any other information acquired by the Employee as a result of his or her employment with the Corporation such that if such information were disclosed, such disclosure could act to the prejudice of the Corporation. The term "confidential or proprietary information" does not include information that has become generally available to the public by the act of one who has the right to disclose such information without violating any right of the Corporation. The term "unauthorized party" means any firm, entity (including governmental entities), or person (whether outsiders or employees of the Corporation), who is not specifically authorized by the Corporation to receive such confidential or proprietary information.

Employee agrees that if he or she believes that he or she is required by law or otherwise to reveal any confidential or proprietary information of the Corporation, he or she or his or her attorney, except as otherwise prohibited by law, will promptly contact NS's Law Department prior to disclosing such information in order that the Corporation can take appropriate steps to safeguard the disclosure of such confidential and proprietary information.

Nothing in this paragraph or Agreement should be construed, either expressly or by implication, as limiting the maximum protections which may be available to the Corporation under appropriate state and federal common law or statute concerning the obligations and duties of the Employee to protect the Corporation's property and/or confidential and proprietary information, including, but not limited to, under the federal Uniform Trade Secrets Act, the Defend Trade Secrets Act, the Virginia Uniform Trade Secrets Acts, or the Georgia Trade Secrets Act. Employee also acknowledges his or her duty to refrain from any action which would harm or have the potential to harm the Corporation, or the Corporation's customers, including, but not limited to, breaching the fiduciary duties Employee owes the Corporation, both during the Employee's employment and after the termination of that employment.

Employee understands that nothing in this Agreement (1) prohibits or impedes Employee from reporting possible violations of federal law or regulation to any governmental agency or entity (including but not limited to the Department of Justice, the Securities and Exchange Commission (SEC), the Congress, and any agency Inspector General), from making other disclosures that are protected under the whistleblower provisions of federal law or regulation, or from receiving a monetary award from the SEC related to participation in an SEC investigation or proceeding, or (2) requires Employee to obtain prior authorization of the Corporation to make any such reports or disclosures or to notify the Corporation of such reports or disclosures.

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Pursuant to 18 USC § 1833(b), an individual may not be held criminally or civilly liable under any federal or state trade secret law for disclosure of a trade secret: (i) made in confidence to a government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law; and/or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Additionally, an individual suing an employer for retaliation based on the reporting of a suspected violation of law may disclose a trade secret to his or her attorney and use the trade secret information in the court proceeding, so long as any document containing the trade secret is filed under seal and the individual does not disclose the trade secret except pursuant to court order.

8. If Employee breaches any portion of this Agreement, Employee agrees that: (a) the Corporation would suffer irreparable harm; (b) it would be difficult to determine damages, and money damages alone would be an inadequate remedy for the injuries suffered by the Corporation; and (c) if the Corporation seeks injunctive relief to enforce this Agreement, Employee shall waive and shall not (i) assert any defense that the Corporation has an adequate remedy at law with respect to the breach, (ii) require that the Corporation submit proof of the economic value of any confidential or proprietary information, or (iii) require the Corporation to post a bond or any other security. Accordingly, in the event of a breach or a threatened breach by Employee of this Agreement, the Corporation shall be entitled to an injunction in a court of law restraining Employee from such breach or threatened breach, as well as recovery of its costs and reasonable attorneys' fees. Nothing herein shall be construed as prohibiting the Corporation from pursuing any other remedies available to it for such breach or threatened breach including the recovery of damages from Employee.

9. The parties agree that this Agreement shall be governed by and interpreted in accordance with the laws of the State of Georgia without regard to Georgia's choice of law rules. Employee consents to the personal jurisdiction of the federal and/or state courts serving the State of Georgia and waives any defenses of *forum non conveniens*. The parties agree that any and all judicial actions instituted under this Agreement or relating to its enforceability shall only be brought in the United States District Court for the Northern District of Georgia, Atlanta Division, the Georgia State-wide Business Court or Fulton County Superior Court, regardless of the place of Employee's residence or work location at the time of such action.

10. Each provision and sub-provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision or sub-provision of this Agreement shall be adjudged to be invalid under applicable law, the remainder of the Agreement is severable and shall continue in full force and effect. Should a court of competent jurisdiction declare any of the provisions of this Agreement invalid or unenforceable, the parties acknowledge and agree that the court may revise or reconstruct such invalid or unenforceable provisions to better effectuate the parties' intent to reasonably restrict the activity of the Employee to the greatest extent afforded by law and needed to protect the business interests of the Corporation.

11. Employee understands and agrees that nothing in this Agreement creates a contract of employment for any specific duration. The obligations contained in this Agreement shall survive the termination of the Employee's employment with the Corporation, however caused, and irrespective of the existence of any claim or cause of action by the Employee against the Corporation.

12. This Agreement is effective as of the date of the Employee's electronic acceptance of both this Agreement and the corresponding Award Agreement(s) under LTIP. The terms of this Agreement (and all associated remedial provisions of this Agreement) shall continue until cancelled by a subsequent written agreement between the parties.

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Exhibit 10 (uu)

Consent and First Omnibus Amendment Agreement

THIS CONSENT AND FIRST OMNIBUS AMENDMENT AGREEMENT, dated as of May 14, 2021 (this "Amendment"), is by and among NORFOLK SOUTHERN RAILWAY COMPANY, a Virginia corporation, as Lessee and as Construction Agent (together with its permitted successors and assigns, in its capacity as Lessee or as Construction Agent, "Lessee"); NORFOLK SOUTHERN CORPORATION, a Virginia corporation, as Guarantor ("Guarantor"); BA LEASING BSC, LLC, a Delaware limited liability company, as Lessor ("Lessor"); BANK OF AMERICA, N.A., not in its individual capacity, except as expressly stated herein, but solely as Administrative Agent ("Administrative Agent") and the persons listed on the signature pages hereto as Rent Assignees (each, a "Rent Assignee", and collectively, the "Rent Assignees").

WHEREAS, Lessee, Lessor, Administrative Agent and the persons listed on Schedule II thereto are parties to that certain Participation Agreement, dated as of March 1, 2019 (as amended, modified and/or otherwise supplemented from time to time, the "Participation Agreement");

WHEREAS, Lessee and Lessor are party to that certain Construction Agency Agreement, dated as of March 1, 2019 (as amended, modified and/or otherwise supplemented from time to time, the "Construction Agency Agreement");

WHEREAS, Guarantor is party to that certain Guaranty, dated as of March 1, 2019 (as amended, modified and/or otherwise supplemented from time to time, the "Guaranty"), in favor of the Beneficiaries (as defined therein);

WHEREAS, Lessee, in its capacity as Construction Agent (as defined in the Participation Agreement), and Holder Construction Group, LLC ("Core and Shell GC") are party to that certain Construction Agreement, dated as of March 1, 2019 (as amended, modified and/or otherwise supplemented from time to time, the "Core and Shell Construction Agreement"), which provides for the construction of the core and shell of the Facility (as defined in the Participation Agreement);

WHEREAS, Lessee, in its capacity as Construction Agent, has informed Lessor that differential settlement has occurred at the Site, and as such, settlement remediation will be required at the Site (collectively, the "Settlement Remediation");

WHEREAS, Lessee, in its capacity as Construction Agent, has informed Lessor that the Settlement Remediation, together with other Change Orders that may be submitted by Construction Agent under the Core and Shell Construction Agreement, will cause the guaranteed maximum price (the "GMP") under the Core and Shell Construction Contract to be increased from time to time;

WHEREAS, Lessee, in its capacity as Construction Agent, has informed Lessor that certain Savings in connection with the "Tech, FF&E, Other" line item in the Project Budget have been reallocated to the "Hard Development Cost" and "Escalation and Contingency" line item in the

Exhibit 10 (uu)

Project Budget, and Lessee has requested that the Project Budget be updated to reflect, among other adjustments, such reallocations;

WHEREAS, Lessor, Administrative Agent and the other Required Participants party hereto are willing to (i) consent to the increases of the GMP under the Core and Shell Construction Agreement, (ii) consent to the amendment of the Project Budget and (iii) amend certain terms set forth in the Construction Agency Agreement and Participation Agreement, in each case, on the terms and conditions set forth in this Amendment.

Now, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed by and among the parties hereto as follows:

Section 1. Definitions; Incorporation of Recitals. Each capitalized term used but not otherwise defined herein has the meaning assigned to it in Appendix 1 to the Participation Agreement. Any reference herein to any Operative Document or to any other defined term shall mean and

be a reference to such Operative Document or defined term as set forth in the Participation Agreement and such Operative Document. Each reference in this Amendment to the Operative Documents, or to any individual Operative Document, shall mean the Operative Documents or such individual Operative Document as amended or otherwise modified by this Amendment. All of the Recitals to this Amendment, including the terms defined therein, are hereby made a part of the agreements contained herein as if fully set forth herein. This Amendment shall be an Operative Document.

Section 2. Amendments to the Operative Documents. From and after the date of this Amendment, but subject to the satisfaction of the conditions set forth in Section 5, each of Lessee, Guarantor, Lessor, the Rent Assignees and the Administrative Agent hereby agree that the Construction Agency Agreement and Participation Agreement shall be amended as follows:

(a) Section 3.1 of the Construction Agency Agreement is hereby amended by deleting clause (c) in its entirety and substituting the following therefor:

(c) Notwithstanding anything contained herein or in the other Operative Documents to the contrary, Construction Agent shall not (i) except as set forth in (a) or (b) above, amend, modify or waive any Major Project Agreement or increase any amounts payable by the owner or Lessor thereunder or extend the completion date thereunder or
(ii) terminate any Major Project Agreement, exercise any material remedies thereunder, extend the completion date thereunder beyond the Outside Completion Date, or increase the guaranteed maximum price thereunder, in each case without the prior written consent of Lessor and the Administrative Agent. Notwithstanding the forgoing in this clause (c), Construction Agent shall be permitted, without the consent of Lessor or the Administrative Agent, to increase the guaranteed maximum price under the Core and Shell Construction Agreement, from time to time, up to a maximum amount of \$321,119,411.

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(b) Article XVI of the Participation Agreement is hereby amended by adding the following new Section 16.10 at the end thereof:

Section 16.10. Recovery of Erroneous Payments. Without limitation of any other provision in this Agreement, if at any time the Administrative Agent makes a payment hereunder in error to any Participant, whether or not in respect of an Obligation due and owing by the Lessee at such time, where such payment is a Rescindable Amount, then in any such event, each Participant receiving a Rescindable Amount severally agrees to repay to the Administrative Agent forthwith on demand the Rescindable Amount received by such Participant in immediately available funds in the currency so received, with interest thereon, for each day from and including the date such Rescindable Amount is received by it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation. Each Participant irrevocably waives any and all defenses, including any "discharge for value" (under which a creditor might otherwise claim a right to retain funds mistakenly paid by a third party in respect of a debt owed by another) or similar defense to its obligation to return any Rescindable Amount. The Administrative Agent shall inform each Participant promptly upon determining that any payment made to such Participant comprised, in whole or in part, a Rescindable Amount. A notice of the Administrative Agent to any Participant with respect to any amount owing under this Section 16.10 shall be conclusive, absent manifest error. As used herein, "Rescindable Amount" means any payment that the Administrative Agent makes for the account of the Participants hereunder as to which the Administrative Agent determines (which determination shall be conclusive absent manifest error) that any of the following applies: (1) the Lessee has not in fact made such payment; (2) the Administrative Agent has made a payment in excess of the amount so paid by the Lessee (whether or not then owed); or (3) the Administrative agent has for any reason otherwise erroneously made such payment.

(c) Schedule 3.1(d) to the Participation Agreement is hereby deleted in its entirety and replaced with the Schedule 3.1(d) attached hereto as Annex A.

Section 3. Consent. From and after the date of this Amendment, but subject to the satisfaction of the conditions set forth in Section 5, each of Lessor, Administrative Agent and the other Required Participants hereby consent to an increase to the GMP under the Core and Shell

Construction Agreement up to \$321,119,411, to include, among other things, (a) the Settlement Remediation within the scope of the work provided under the Core and Shell Construction Agreement and (b) such other Change Orders Construction Agent may submit under the Core and Shell Construction Agreement from time to time.

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Section 4. Representations.

(a) Lessee by its execution of this Amendment hereby represents and warrants that, as of the date hereof and as of the effectiveness of this Amendment:

(i) each of the representations and warranties of Lessee in Section 8.2 of the Participation Agreement (other than Section 8.2(d)) and in each of the other Operative Documents are true and correct in all material respects, except to the extent such representations or warranties relate solely to an earlier date, in which case such representations and warranties are true and correct in all material respects on and as of such earlier date;

(ii) there has been no Default, Event of Default, Force Majeure Event, Event of Loss or Material Environmental Violation; and

(iii) (A) the remaining Commitment is sufficient to complete Construction of the Improvements in accordance with the Project Documents, all Applicable Laws, Governmental Actions, and Insurance Requirements, (B) the Project Budget is In Balance, and (C) Completion is capable of occurring on or before the Outside Completion Date.

(b) Guarantor by its execution of this Amendment hereby represents and warrants that, as of the date hereof and as of the effectiveness of this Amendment, each of the representations and warranties set forth in Section 7 of the Guaranty (other than Section 7(d)(ii) and Section 7(e)) are true and correct in all material respects as of the date hereof, except to the extent such representations and warranties relate solely to an earlier date, in which case such representations and warranties are true and correct in all material respects as of such earlier date.

Section 5. Closing Conditions. The effectiveness of this Amendment is conditioned upon the satisfaction or waiver of all of the conditions precedent set forth in this Section 5:

(a) Administrative Agent shall have received executed counterparts of this Amendment from Lessee, Guarantor, Lessor and the Required Participants;

(b) No event shall exist that constitutes a Default, persons having an Event of Default, Force Majeure Event, an Event of Loss or Material Environmental Violation;

(c) Lessee's representations set forth in Section 4(a) shall be true and correct on and as of the date hereof;

(d) Guarantor's representations set forth in Section 4(b) shall be true and correct on and as of the date hereof; and

(e) All proceedings taken in connection with the transactions contemplated by this Amendment and all documents necessary to the consummation thereof or which are addressed to the Lessor shall be in form and substance reasonably satisfactory to the

Lessor and its counsel, and all legal matters in connection with the transaction contemplated hereby shall be reasonably satisfactory to counsel for the Lessor.

Section 6. Guarantor Reaffirmation. Guarantor, by its execution of this Amendment, hereby reaffirms its obligations under the Guaranty and waives any defense which might arise due to the execution and delivery of this Amendment and the performance of the terms hereof.

Section 7. Further Assurances. Each of the parties hereto hereby agrees to execute any and all further documents, agreements and instruments and take all further action that may be reasonably requested or be required by law or otherwise, necessary to give effect to this Amendment.

Section 8. Miscellaneous.

(a) Lessee hereby agrees to include all reasonable costs and expenses, including reasonable and documented attorneys' fees, incurred by Lessor in connection with the negotiation, preparation, execution and delivery of this Amendment and any other documents, instruments and agreements in connection therewith in the next Advance Request submitted by Lessee following receipt of a satisfactory statement of such costs and expenses.

(b) This Amendment interest therein, shall be governed by and construed in accordance with the laws of the State Commonwealth of New York including Section 5-1401 of Virginia, except to the New York General Obligations Law and all matters of construction, validity and performance without regard, however to other principles of conflicts extent that such laws may be preempted by Federal law.

(c) This Amendment (h) Gender and any document, amendment, approval, consent, information, notice, certificate, request, statement, disclosure or authorization related to this Amendment (each a "Communication"), including Communications required to be in writing, may be Number Wherever used in the form of an Electronic Record and may be executed using Electronic Signatures. Each of the parties hereto agrees that any Electronic Signature on or associated with any Communication shall be valid and binding on such Person to the same extent as a manual, original signature, and that any Communication entered into by Electronic Signature will constitute the legal, valid and binding obligation of such Person enforceable against such Person in accordance with the terms thereof to the same extent as if a manually executed original signature was delivered. Any Communication may be executed in as many counterparts as necessary or convenient, including both paper and electronic counterparts, but all such counterparts are one and the same Communication. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the Administrative Agent, Lessor and each of the Rent Assignees of a manually signed paper Communication which has been converted into electronic form (such as scanned into PDF format), or an electronically signed Communication converted into another format for transmission, delivery and/or retention. The Administrative Agent, Lessor and each of the Rent Assignees may, at its option, create one or more copies of any Communication Plan, words in the masculine form of an imaged Electronic Record ("Electronic Copy"), which shall be deemed created to refer to females as well as to males, and words in the ordinary course of such Person's business, and destroy the original paper document. All Communications in the form of an Electronic Record, including an Electronic Copy, singular or plural shall be considered an original for all purposes, and shall have the same legal

effect, validity and enforceability as a paper record. Notwithstanding anything contained herein deemed to refer also to the contrary, plural or singular, respectively, as the Administrative Agent is under no obligation to accept an Electronic Signature in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it; provided, without limiting the foregoing, (a) to the extent

the Administrative Agent has agreed to accept such Electronic Signature, the Administrative Agent, Lessor and each of the Rent Assignees shall be entitled to rely on any such Electronic Signature purportedly given by or on behalf of Lessee without further verification and (b) upon the request of the Administrative Agent, Lessor or any Rent Assignee, any Electronic Signature shall be promptly followed by such manually executed counterpart. For purposes hereof, "Electronic Record" and "Electronic Signature" shall have the meanings assigned to them, respectively, by 15 USC §7006, as it context may be amended from time to time.

(d) Sections 15.12 (Submission to Jurisdiction) and 15.13 (Waiver of Jury Trial) of the Participation Agreement are hereby incorporated herein as if set forth herein.

(e) This Amendment shall be binding upon and inure to the benefit of the parties hereto, and their respective successors and assigns.

(f) Section headings in this Amendment are included for convenience of reference only and are not part of this agreement for any other purpose.

(g) Each Participant, by its execution of this Amendment, hereby consents and agrees to the matters set forth herein, requests and directs Administrative Agent to execute, deliver and perform this Amendment and any other documents, agreements and instruments and take all further action that may be reasonably requested or be required by law or otherwise, necessary to give effect to this Amendment and to take any and all actions as may be necessary or convenient to effect the transactions contemplated hereby and/or thereby.

[SIGNATURE PAGES FOLLOW]

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Exhibit 10 (uu)

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Amendment as of the date first written above.

NORFOLK SOUTHERN RAILWAY COMPANY, as
Lessee and as Construction Agent

By: /s/ Kathleen C. Smith

Name: Kathleen C. Smith

Title: Vice President Business Development & Real Estate

[Signature Page to Consent and First Omnibus Amendment Agreement (Norfolk Southern)]

Exhibit 10 (uu)

[Signature Page to Consent and First Omnibus Amendment Agreement (Norfolk Southern)]

Exhibit 10 (uu)

NORFOLK SOUTHERN CORPORATION, as Guarantor

By: /s/ Kathleen C. Smith

Name: Kathleen C. Smith

Title: Vice President Business Development & Real Estate

[Signature Page to Consent and First Omnibus Amendment Agreement (Norfolk Southern)]

Exhibit 10 (uu)

[Signature Page to Consent and First Omnibus Amendment Agreement (Norfolk Southern)]

Exhibit 10 (uu)

BANK OF AMERICA, N.A., not in its individual capacity, but solely as Administrative Agent

By: /s/ Denise Jones

Name: Denise Jones

Title: Vice President

[Signature Page to Consent and First Omnibus Amendment Agreement (Norfolk Southern)]

Exhibit 10 (uu)

[Signature Page to Consent and First Omnibus Amendment Agreement (Norfolk Southern)]

Exhibit 10 (uu)

BA LEASING BSC, LLC, as Lessor and as Rent Assignee

By: /s/ Denise C. Simpson

Name: Denise C. Simpson

Title: Vice President

[Signature Page to Consent and First Omnibus Amendment Agreement (Norfolk Southern)]

CAPITAL ONE, NATIONAL ASSOCIATION, as Rent
Assignee
By: /s/ Scott James Lorimer
Name: Scott James Lorimer
Title: Managing Director

[Signature Page to Consent and First Omnibus Amendment Agreement (Norfolk Southern)]

PNC EQUIPMENT FINANCE, LLC, as Rent Assignee
By: /s/ Barbara Yerdon Booth
Name: Barbara Yerson Booth
Title: Vice President

require.

[Signature Page to Consent (i) Code Section 409A - The Plan is intended, and First Omnibus Amendment Agreement (Norfolk Southern)]

SMBC LEASING AND FINANCE, INC., as Rent Assignee
By: /s/ Stephen R. Perry
Name: Stephen R. Perry
Title: President

U.S. BANK NATIONAL ASSOCIATION, as Rent

Assignee

By: /s/ Peter I. Bystol

Name: Peter I Bystol

Title: Senior Vice President

WELLS FARGO BANK, N.A., as Rent Assignee

By: /s/ Kevin Valenta

Name: Kevin Valenta

Title: Director

Consent and Second Omnibus Amendment Agreement

THIS CONSENT AND SECOND OMNIBUS AMENDMENT AGREEMENT, dated as of September 10, 2021 (this "Amendment"), is by and among NORFOLK SOUTHERN RAILWAY COMPANY, a Virginia corporation, as Lessee and as Construction Agent (together with its permitted successors and assigns, in its capacity as Lessee or as Construction Agent, "Lessee"); NORFOLK SOUTHERN CORPORATION, a Virginia corporation, as Guarantor ("Guarantor"); BA LEASING BSC, LLC, a Delaware limited liability company, as Lessor ("Lessor"); BANK OF AMERICA, N.A., not in its individual capacity, except as expressly stated herein, but solely as Administrative Agent ("Administrative Agent") and the persons listed on the signature pages hereto as Rent Assignees (each, a "Rent Assignee", and collectively, the "Rent Assignees").

WHEREAS, Lessee, Lessor, Administrative Agent and Rent Assignees are parties to that certain Participation Agreement, dated as of March 1, 2019 (as amended, modified and/or otherwise supplemented from time to time, the "Participation Agreement");

WHEREAS, Lessee and Lessor are party to that certain Construction Agency Agreement, dated as of March 1, 2019 (as amended, modified and/or otherwise supplemented from time to time, the "Construction Agency Agreement");

WHEREAS, Guarantor is party to that certain Guaranty, dated as of March 1, 2019 (as amended, modified and/or otherwise supplemented from time to time, the "Guaranty"), in favor of the Beneficiaries (as defined therein);

WHEREAS, Lessee, in its capacity as Construction Agent (as defined in the Participation Agreement), and HITT Contracting, Inc., a Virginia corporation (the "Interior GC") are party to that certain Construction Agreement, dated as of July 13, 2020 (as amended by that certain Lump Sum Amendment dated as of October 20, 2020, and as may be further amended, modified and/or otherwise supplemented from time to time, the "Interior Construction Agreement"), which provides for the construction of the interior improvements of the Facility (as defined in the Participation Agreement);

WHEREAS, Lessee, in its capacity as Construction Agent, has previously informed Lessor that differential settlement occurred at the Site, and as such, settlement remediation has been and will be required at the Site (collectively, the "Settlement Remediation");

WHEREAS, Lessee, in its capacity as Construction Agent, has informed Lessor that the Settlement Remediation, together with other Change Orders that may be submitted by Construction Agent under the Interior Construction Agreement, will cause the lump sum contract price (the "Lump Sum Contract Price") under the Interior Construction Agreement to be increased from time to time;

WHEREAS, Lessee, in its capacity as Construction Agent, has informed Lessor that certain Savings have been reallocated in the Project Budget, and Lessee has requested that the Project Budget be updated to reflect, among other adjustments, such reallocations; and

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Exhibit 10 (vv)

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Exhibit 10 (vv)

WHEREAS, Lessee has requested that Lessor, the Rent Assignees and the Administrative Agent amend certain terms set forth in the Participation Agreement and Construction Agency Agreement, and Lessor, the Rent Assignees and the Administrative Agent are willing to (i) amend such terms set forth in the Participation Agreement and Construction Agency Agreement, (ii) consent to the increases of the Lump Sum Contract Price under the Interior Construction Agreement and (iii) consent to the amendment of the Project Budget, in each case, on the terms and conditions set forth in this Amendment.

Now, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed by and among the parties hereto as follows:

Section 1. Definitions; Incorporation of Recitals. Each capitalized term used but not otherwise defined herein has the meaning assigned to it in Appendix 1 to the Participation Agreement. Any reference herein to any Operative Document or to any other defined term shall mean and be a reference to such Operative Document or defined term as set forth in the Participation Agreement and such Operative Document. Each reference in this Amendment to the Operative Documents, or to any individual Operative Document, shall mean the Operative Documents or such individual Operative Document as amended or otherwise modified by this Amendment. All of the Recitals to this Amendment, including the terms defined therein, are hereby made a part of the agreements contained herein as if fully set forth herein. This Amendment shall be an Operative Document.

Section 2. Amendments construed, to the Operative Documents. From and after the date of this Amendment, but subject to the satisfaction of the conditions set forth in Section 6, each of Lessee, Guarantor, Lessor, the Rent Assignees and the Administrative Agent hereby agree that the Participation Agreement and the Construction Agency Agreement shall be amended as follows:

(a) Section 3.4(b) of the Participation Agreement is hereby amended by deleting the reference to "a Nonrelated Project Event or".

(b) The Participation Agreement is hereby amended by deleting Section 4.3(a) in its entirety and substituting the following therefor:

(a) Lessor hereby directs Lessee to pay to the Administrative Agent, pursuant to the terms of the Lease, the Rent from time to time payable. Notwithstanding anything to the contrary herein or in any other Operative Document, except as provided for in the proviso at the end of this sentence and excluding amounts payable by other Persons which Lessee is required to pay over to Lessor, the Administrative Agent or any Participant (i) Yield, Fees and Contingent Rent due and fees payable prior to the Base Term Commencement Date and (ii) any other Supplemental Rent payable prior to the Base Term Commencement Date shall be payable solely from Advances pursuant to the terms and conditions of Section 3.1 to the extent of the Available Commitments; *provided, however, that all payments or other amounts (i) required to be made by Lessee prior to the Base Term Commencement Date pursuant to Article XIII or (ii) payable by Construction*

Agent pursuant to Section 3.4 or Article V of the Construction Agency Agreement, shall be the direct recourse obligations of Lessee and shall not be payable with Advances. To assist the Lessee in paying Basic Rent, the Administrative Agent will provide the Lessee at least six (6) Business Days prior to the Payment Date with a calculation of Basic Rent for any period, including sufficient detail about calculation of items (such as rates) used in such calculations for Lessee to confirm that such calculations are correct.

(c) Section 5.3(b)(ii) of the Participation Agreement is hereby amended by deleting the reference to "or Recourse Amount".

(d) Section 5.3(f) of the Participation Agreement is hereby amended by deleting the reference to "Recourse Amount or".

(e) The Participation Agreement is hereby amended by deleting Section 13.1(b) in its entirety and substituting the following therefor:

(b) *Exclusions from Indemnities.* Notwithstanding the foregoing provisions of this Article XIII, Lessee shall not be obligated to indemnify a General Indemnitee under Section 13.1 and Lessor shall not be required to indemnify a Participant Indemnitee under Section 13.1(a)(i)(B) for any Claim to the extent that such Claim is attributable to: (i) the gross negligence or willful misconduct of such Indemnitee; (ii) the breach by such Indemnitee of its representations and warranties in Section 8.1 or 8.4, as the case may be, or the breach by such Indemnitee of its covenants as set forth in this Participation Agreement or in any other Operative Document to which such Indemnitee is a party; (iii) any Claim resulting from the imposition of any Lessor Lien which such Indemnitee is responsible for discharging under the Operative Documents; (iv) *[Intentionally omitted]*; (v) any Claim for the recovery of Project Costs to the extent such Claim arises solely as a result of any Event of Default prior to the Base Term Commencement Date, the recovery of such Project Costs to be governed by Article V of the Construction Agency Agreement; *provided, however,* that nothing in the foregoing clauses (i) through (iii) shall be deemed to exclude or limit any (x) Claim that Lessor or any Participant Indemnitee may have under any Operative Document or Applicable Laws for damages from Lessee or Guarantor for breach by Lessee or Guarantor of its representations or warranties made or deemed made by it in any Operative Document or (y) any remedy under or right to damages pursuant to Article XVI of the Lease or Article V of the Construction Agency Agreement. Additionally, this Section 13.1 shall not apply with respect to Taxes other than any Taxes that represent losses, claims or damages arising from any non-Tax Claim.

(f) Section 13.7 of the Participation Agreement is hereby amended by deleting the last paragraph in its entirety and substituting the following therefor:

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Notwithstanding the foregoing provisions of this Section 13.7, Lessee shall not be obligated to indemnify an Indemnitee under this Section 13.7 for any Claim (i) to the extent that such Claim is attributable to the gross negligence or willful misconduct of such Indemnitee or (ii) to the extent attributable to acts occurring after the expiration or earlier termination of the Term.

(g) The Participation Agreement is hereby amended by deleting Section 15.2 in its entirety and substituting the following therefor:

Except for Lessee's and Guarantor's dealing with Banc of America Leasing & Capital, LLC, as the Arranger, each of the parties hereto represents to the others that it has not retained or employed the Arranger, or any broker, finder or financial advisor to act on its behalf in connection with this Participation Agreement, nor has it authorized the Arranger, or any broker, finder or financial adviser retained or employed by any other Person so to act, nor has it incurred any fees or commissions to which Lessor, the Administrative Agent or any Participant might be subjected by virtue of their entering into the Overall Transaction. Any party who is in breach of this representation shall indemnify and hold the other parties harmless from and against any liability arising out of such breach of this representation; *provided* however that prior to the Base Term Commencement Date (a) any indemnity by Lessee shall be for the benefit of Lessor only and in all cases shall include all claims for which Lessor has an obligation to indemnify any Person (including, but not limited to any Person to which Lessor sold participating interests in its rights and obligations under this Participation Agreement or the other Operative Documents pursuant to Section 12.2) or for which Lessor otherwise had liability under clause (b); and (b) Lessor shall in turn indemnify the other parties hereto for such liability but only to the extent Lessor was indemnified by Lessee for such liability pursuant to clause (a) above.

(h) Section 15.5(d) of the Participation Agreement is hereby amended by deleting each reference to "Recourse Amount".

(i) Appendix 1 to the Participation Agreement is hereby amended by deleting the definitions of "Construction Agent Related Event", "Full Recourse Event", "Nonrelated Project Event" and "Recourse Amount" in their entirety and without replacement.

(j) The definition of "Impositions" in Appendix 1 to the Participation Agreement is hereby amended by deleting clause (xi) from the exclusions to Impositions (i.e. "Taxes or impositions which are imposed prior to the Base Term Commencement Date and arise solely as a result of a Nonrelated Project Event") in its entirety and substituting the following therefor: "(xi) [intentionally omitted];".

(k) A new Section 2.10 is hereby inserted into the Construction Agency Agreement immediately following Section 2.09 thereof as follows:

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Section 2.10. Revocable License. Lessor hereby grants to Construction Agent a revocable license to occupy and use each floor of the Facility for which a temporary or permanent certificate of occupancy has been issued by the appropriate Governmental Authority prior to Substantial Completion from and after the date each such certificate of occupancy is issued (the "Occupancy License"). The Occupancy License shall terminate upon the earlier to occur of the

(a) Base Term Commencement Date and (b) the termination of this Agreement as set forth in Section 2.3 hereof.

(l) The Construction Agency Agreement is hereby amended by deleting Section 3.2(c) in its entirety.

(m) The Construction Agency Agreement is hereby amended by deleting Section 3.4 in its entirety and substituting the following therefor:

Section 3.4. Termination Upon Certain Events. (a) If an Event of Loss or Material Environmental Violation which, in Lessor's opinion, will cause Substantial Completion to occur after the Outside Completion Date or for an amount in excess of the Aggregate Commitment Amount, in each case, occurs prior to the Base Term Commencement Date and Lessor has not required Construction Agent to complete Construction pursuant to Section 3.2(a) or Section 3.2(b), then Lessor may elect to terminate Construction Agent's rights under this Agreement and the Lease by giving written notice (a "Termination Notice") to Construction Agent that, as a consequence of such Event of Loss or Material Environmental Violation, Construction Agent's rights under this Agreement and the Lease are to be terminated and Construction Agent shall be obligated to pay to Lessor the Lease Balance on or prior to the next occurring Payment Date that is at least ten (10) Business Days after Construction Agent's receipt of such Termination Notice from Lessor (but no later than thirty (30) days from the date of Construction Agent's receipt of the applicable Termination Notice); provided, however, that if Construction Agent fails to pay the Lease Balance as and when due, then a Construction Agency Agreement Event of Default shall be deemed to have occurred, and Lessor shall be entitled to exercise its remedies at Section 5.3.

(b) On the date of, and concurrent with, the payment by Construction Agent of the Lease Balance in accordance with Section 3.4(a), Lessor and Construction Agent shall comply with the provisions requirements of Code Section 15.2 of 409A. The Corporation does not warrant that the Lease (including Sections 21.1(i) through (iii) of the Lease), the Leased Property shall be conveyed to Construction Agent as provided in such Sections and all net proceeds shall be conveyed to Construction Agent as provided in Plan will comply with Code Section 15.2(ii) of the Lease.

(n) Section 5.1 of the Construction Agency Agreement is hereby amended by deleting the reference to ", subject to Section 5.4," in the last paragraph.

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(o) The Construction Agency Agreement is hereby amended by deleting Section 5.3 in its entirety and substituting the following therefor:

Section 5.3. Remedies Cumulative; Waivers. During the continuance of a Construction Agency Agreement Event of Default, at Lessor's option and without limiting Lessor in the exercise of any other right or remedy Lessor may have on account of such default (including, without limitation, any remedies under any other Operative Document), and without any further demand or notice, Lessor may cause the following to occur:

(a) Without limiting any other remedies set forth in this Agreement or in any of the other Operative Documents, Lessor and Construction Agent agree that during the continuance of a Construction Agency Agreement Event of Default, Lessor shall have all the rights and may pursue any of the remedies provided to it in the Lease, the terms and provisions of which Lease are incorporated herein by this reference. Lessor may foreclose the lien of the Lease or any Security Instrument on the Leased Property and the other Collateral or any portion thereof, in which event Construction Agent shall pay to the Administrative Agent, upon demand, the Lease Balance and all other costs and expenses incurred by Lessor, the Administrative Agent and the Participants (including Breakage Costs and Default Completion Costs), in either case to the extent not previously paid by Construction Agent to the Administrative Agent pursuant to the final paragraph of Section 5.1.

(b) Lessor may continue this Agreement in effect for so long as Lessor shall determine, and Lessor may enforce all of Lessor's rights and remedies under this Agreement and require the continued performance and completion of Construction Agent's obligations^{409A} with respect to any Participant or all of the Project Agreements and the Site Obligations as herein described, so long as Lessor satisfies its obligations under Section 4.1; and Construction Agent shall be liable to Lessor for all Default Completion Costs with respect to any payment, however. In no event shall the Facility, which amounts shall be payable by Construction Agent from time to time during Corporation or the term hereof to such Persons (including Lessor) and in such amounts as Lessor may designate. In addition, if Lessor has not elected to terminate this Agreement as provided herein, if requested by Lessor, Construction Agent shall continue diligently to perform its obligations hereunder, including the Site Obligations, in accordance with this Agreement, so long as Lessor provides the funding provided for in Section 4.1 (without regard to the continuance of the Construction Agency Agreement Event of Default). If Advances, at any time, are no longer available under the Participation Agreement (as determined without regard to the continuance of the Construction Agency Agreement Event of Default), Construction Agent shall pay to Lessor prepaid rent ("Prepaid Rent") in amounts necessary to fund all costs to complete the Site Obligations, including all amounts of Capitalized Yield, Capitalized Fees and Capitalized Contingent Rent that accrue or are payable during the period from the continuance of the Construction Agency Agreement Event of Default through the Facility Completion Date, which

amounts shall be payable by Construction Agent from time to time prior to the Facility Completion Date to such Persons (including Lessor), for costs of construction consistent in type as those contemplated by the Project Budget and in such amounts as Lessor may designate and, in the case of Capitalized Yield, Capitalized Fees and Capitalized Contingent Rent, in accordance with the terms of the Operative Documents (absent manifest error).

(c) Lessor may terminate this Agreement at any time, notwithstanding a prior election under Section 5.3(b), and cause Substantial Completion to occur (including the performance of all of Lessor's rights and obligations under the Project Agreements which would otherwise be performed by Construction Agent hereunder) directly through Lessor or one or

more successor agents and designees and Construction Agent shall Committee be liable to Lessor for all Default Completion Costs.

(d) Lessor (i) may, upon termination of this Agreement terminate, at Construction Agent's sole cost and expense, the Authority Lease any additional tax, interest, or (ii) may exercise any other right or remedy that may be available to it under Applicable Laws or in equity, or proceed by appropriate court action (legal or equitable) to enforce the terms or to recover damages for the breach hereof.

(e) As a matter of right and without notice to Construction Agent or anyone claiming under Construction Agent, and without regard to the then value of the Collateral or the interest of Construction Agent therein, Lessor shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of the Collateral at Construction Agent's sole cost and expense, and Construction Agent hereby irrevocably consents to such appointment and waives notice of any application therefor. Any such receiver or receivers shall have all the usual powers and duties of receivers in like or similar cases and all the powers and duties of Lessor in case of entry as provided in this Agreement and shall continue as such and exercise all such powers until the latest to occur of (i) the date of confirmation of sale of the Collateral; (ii) the disbursement of all proceeds of the Collateral collected by such receiver and the payment of all expenses penalty incurred in connection therewith; or (iii) the termination of such receivership with the consent of Lessor or pursuant to an order by a court of competent jurisdiction.

(f) To the extent permitted by, and subject to the mandatory requirements of, any Governmental Authority, each and every right, power and remedy herein specifically given to Lessor Participant or otherwise in this Agreement shall be cumulative and shall be in addition to every other right, power and remedy herein specifically given or now or hereafter existing at law, in equity or by statute, and each and every right, power and remedy whether specifically herein given or otherwise existing may be exercised from time to time and as often and in such order as may be deemed expedient by Lessor, and the exercise or the beginning of the exercise of any power or remedy shall not be construed to be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy. Lessor's consent to any request made by Construction Agent shall not be deemed to

constitute or preclude the necessity for obtaining Lessor's consent, in the future, to all similar requests. No express or implied waiver by Lessor of any Construction Agency Agreement Event of Default shall in any way be, or be construed to be, a waiver of any future or subsequent Construction Agency Agreement Event of Default. To the extent permitted by any Applicable Laws, Construction Agent hereby waives any rights now or hereafter conferred by statute or otherwise that may require Lessor to sell, lease or otherwise use the Leased Property, the other Collateral or any part or portion of the Leased Property or Collateral in mitigation of damages upon the continuance of a Construction Agency Agreement Event of Default or that may otherwise limit or modify any of Lessor's rights or remedies under this Article V.

(g) No failure to exercise and no delay in exercising, on the part Lessor, any right, remedy, power or privilege under this Agreement or under the other Operative Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges provided in this Agreement are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

(p) The Construction Agency Agreement is hereby amended by deleting Section 5.4 in its entirety and substituting the following therefor: "Section 5.4. Intentionally omitted."

(q) Section 5.5(a) of the Construction Agency Agreement is hereby amended by deleting each reference to "(subject to Section 5.4 above)".

(r) Schedule 3.1(d) to the Participation Agreement is hereby deleted in its entirety and replaced with the Schedule 3.1(d) attached hereto as Annex A.

Section 3. Consent. From and after the date of this Amendment, but subject to the satisfaction of the conditions set forth in Section 6, each of Lessor, Administrative Agent and each Rent Assignee hereby consent to an increase to the Lump Sum Contract Price under the Interior Construction Agreement up to \$120,495,632, to include, among other things, (a) a modification to the scope of the work provided under the Interior Construction Agreement, **Beneficiary** as a result of the **Settlement Remediation**, and (b) such other Change Orders Construction Agent may submit under the Interior Construction Agreement from time **Plan's failure to time**.

Section 4. Insurance. Lessee, in its capacity as Construction Agent, has advised Lessor that, effective August 26, 2021, the following changes will be made to Lessee's Builder's Risk insurance policy (i) prior claims under the policy will be excluded, (ii) 'below grade pilings' and 'foundations' will be excluded from property covered under the policy and (iii) a water damage sublimit of \$1,000,000 and deductible of \$50,000 will be added to the policy (collectively, the "*Builder's Risk Policy Changes*"). In consideration of the Builder's Risk Policy Changes, and notwithstanding anything to the contrary in the Operative Documents, Lessee has agreed, and shall, from and after August 26, 2021, provide or cause to be provided

the insurance coverages required to be provided under Sections 13.1 and 13.2 of the Lease and deliver to Administrative Agent and Lessor certificates of insurance satisfactory to Administrative Agent and Lessor evidencing the existence of all such insurance in accordance with the terms of Section 13.3 of the Lease.

Provided the Lessee provides or causes to provide (and continues to provide or cause to be provided) the insurance coverages required under Sections 13.1 and 13.2 of the Lease, notwithstanding anything to the contrary in Schedule 2.6(b) to the Construction Agency Agreement, each of the Lessor, Administrative Agent and each Rent Assignee hereby consent to the Builder's Risk Policy Changes; *provided, however*, notwithstanding the foregoing, Lessee shall still be required to maintain or cause to be maintained all required insurance under the Core and Shell Construction Agreement, the Interior Construction Agreement and each other Project Agreement.

Section 5. Representations.

(a) Lessee by its execution of this Amendment hereby represents and warrants that, as of the date hereof and as of the effectiveness of this Amendment:

(i) each of the representations and warranties of Lessee in Section 8.2 of the Participation Agreement (other than Section 8.2(d)) and in each of the other Operative Documents are true and correct in all material respects, except to the extent such representations or warranties relate solely to an earlier date, in which case such representations and warranties are true and correct in all material respects on and as of such earlier date;

(ii) there has been no Default, Event of Default, Force Majeure Event, Event of Loss or Material Environmental Violation; and

(iii) (A) the remaining Commitment is sufficient to complete Construction of the Improvements in accordance with the Project Documents, all Applicable Laws, Governmental Actions, and Insurance Requirements, (B) the Project Budget is In Balance, and (C) Completion is capable of occurring on or before the Outside Completion Date.

(b) Guarantor by its execution of this Amendment hereby represents and warrants that, as of the date hereof and as of the effectiveness of this Amendment, each of the representations and warranties set forth in Section 7 of the Guaranty (other than Section 7(d)(ii) and Section 7(e)) are true and correct in all material respects as of the date hereof, except to the extent such representations and warranties relate solely to an earlier date, in which case such representations and warranties are true and correct in all material respects as of such earlier date.

Section 6. Closing Conditions. The effectiveness of this Amendment is conditioned upon the satisfaction or waiver of all of the conditions precedent set forth in this Section 6:

- (a) Administrative Agent shall have received executed counterparts of this Amendment from Lessee, Guarantor, Lessor and each Rent Assignee;
- (b) No event shall exist that constitutes a Default, an Event of Default, Force Majeure Event, an Event of Loss or Material Environmental Violation;
- (c) Lessee's representations set forth in Section 5(a) shall be true and correct on and as of the date hereof;
- (d) Guarantor's representations set forth in Section 5(b) shall be true and correct on and as of the date hereof; and
- (e) All proceedings taken in connection with the transactions contemplated by this Amendment and all documents necessary to the consummation thereof or which are addressed to the Lessor shall be in form and substance reasonably satisfactory to the Lessor and its counsel, and all legal matters in connection with the transaction contemplated hereby shall be reasonably satisfactory to counsel for the Lessor.

Section 7. Guarantor Reaffirmation. Guarantor, by its execution of this Amendment, hereby reaffirms its obligations under the Guaranty and waives any defense which might arise due to the execution and delivery of this Amendment and the performance of the terms hereof.

Section 8. Further Assurances. Each of the parties hereto hereby agrees to execute any and all further documents, agreements and instruments and take all further action that may be reasonably requested or be required by law or otherwise, necessary to give effect to this Amendment.

Section 9. Miscellaneous.

- (a) Lessee hereby agrees to include all reasonable costs and expenses, including reasonable and documented attorneys' fees, incurred by Lessor in connection with the negotiation, preparation, execution and delivery of this Amendment and any other documents, instruments and agreements in connection therewith in the next Advance Request submitted by Lessee following receipt of a satisfactory statement of such costs and expenses.
- (b) This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York including Section 5-1401 of the New York General Obligations Law and all matters of construction, validity and performance without regard, however to other principles of conflicts law.
- (c) Sections 15.12 (Submission to Jurisdiction) and 15.13 (Waiver of Jury Trial) of the Participation Agreement are hereby incorporated herein as if set forth herein.

(d) This Amendment shall be binding upon and inure to the benefit of the parties hereto, and their respective successors and assigns.

(e) Section headings in this Amendment are included for convenience of reference only and are not part of this agreement for any other purpose.

(f) Each Participant, by its execution of this Amendment, hereby consents and agrees to the matters set forth herein, requests and directs Administrative Agent to execute, deliver and perform this Amendment and any other documents, agreements and instruments and take all further action that may be reasonably requested or be required by law or otherwise, necessary to give effect to this Amendment and to take any and all actions as may be necessary or convenient to effect the transactions contemplated hereby and/or thereby.

(g) From and after the date of this Amendment, but subject to the satisfaction of the conditions set forth in Section 6, (i) each reference to the Participation Agreement or the Construction Agency Agreement in any Operative Document (including in any Exhibit or Schedule attached thereto) shall be deemed to be a reference to the Participation Agreement or the Construction Agency Agreement as amended by this Amendment, and (ii) each reference in the Participation Agreement or the Construction Agency Agreement to "this Agreement," "hereunder," "hereof," "herein," or words of like import, and each reference in the other Operative Documents to the Participation Agreement or the Construction Agency Agreement (including, without limitation, by means of words like "thereunder," "thereof" and words of like import), shall mean and be a reference to the Participation Agreement or the Construction Agency Agreement, as amended by this Amendment. Except as expressly amended hereby or specifically consented to above, all of the terms and provisions of the Operative Documents are and shall remain in full force and effect and are hereby ratified and confirmed.

Section 10. Electronic Signatures.

(a) This Amendment, any Operative Document and any document, amendment, approval, consent, information, notice, certificate, request, statement, disclosure or authorization related to this Amendment or any Operative Document (each a "Communication"), including Communications required to be in writing, may, if agreed by the Lessor and Administrative Agent, be in the form of an Electronic Record and may be executed using Electronic Signatures, including, without limitation, facsimile and/or .pdf. Each of the parties hereto agrees that any Electronic Signature on or associated with any Communication shall be valid and binding on such Person to the same extent as a manual, original signature, and that any Communication entered into by Electronic Signature will constitute the legal, valid and binding obligation of such Person enforceable against such Person in accordance with the terms thereof to the same extent as if a manually executed original signature was delivered. Any Communication may be executed in as many counterparts as necessary or convenient, including both paper and electronic counterparts, but all such counterparts are one and the same Communication. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the Administrative Agent, Lessor and each of the Rent Assignees of a manually signed paper Communication which has been converted into electronic form (such as scanned into PDF format), or an electronically signed Communication converted into another format for

transmission, delivery and/or retention. The Administrative Agent, Lessor and each of the Rent Assignees may, at its option, create one or more copies of any Communication in the form of an imaged Electronic Record ("Electronic Copy"), which shall be deemed created in the ordinary course of such Person's business, and destroy the original paper document. All Communications in the form of an Electronic Record, including an Electronic Copy, shall be considered an original for all purposes, and shall have the same legal effect, validity and enforceability as a paper record. Notwithstanding anything contained herein to the contrary, the Administrative Agent is under no obligation to accept an Electronic Signature in any form or in any format unless expressly agreed to by the Administrative Agent pursuant to procedures approved by it; provided, without limiting the foregoing, (a) to the extent the Administrative Agent has agreed to accept such Electronic Signature, the Administrative Agent, Lessor and each of the Rent Assignees shall be entitled to rely on

any such Electronic Signature purportedly given by or on behalf of Lessee or Guarantor without further verification and regardless of the appearance or form of such Electronic Signature and (b) upon the request of the Administrative Agent, Lessor or any Rent Assignee, any Communication executed using any Electronic Signature shall be promptly followed by a manually executed, original counterpart. For purposes hereof, "Electronic Record" and "Electronic Signature" shall have the meanings assigned to them, respectively, by 15 USC §7006, as it may be amended from time to time.

(b) Neither the Administrative Agent nor Lessor shall be responsible for or have any duty to ascertain or inquire into the sufficiency, validity, enforceability, effectiveness or genuineness of any Operative Document or any other agreement, instrument or document (including, for the avoidance of doubt, in connection with the Administrative Agent's or Lessor's reliance on any Electronic Signature transmitted by telecopy, emailed .pdf or any other electronic means). The Administrative Agent and Lessor shall be entitled to rely on, and shall incur no liability under or in respect of this Amendment or any other Operative Document by acting upon, any Communication or any statement made to it orally or by telephone and believed by it to be genuine and signed or sent or otherwise authenticated (whether or not such Person in fact meets satisfy the requirements set forth in the Operative Documents for being the maker thereof).

(c) Each of the parties hereto hereby waives (i) any argument, defense Code Section 409A, or right to contest the legal effect, validity or enforceability of this Amendment and/or any other Operative Document based solely on the lack of paper original copies of this Amendment and/or such other Operative Document, and (ii) any claim against the Administrative Agent, Lessor or and each Rent Assignee for any liabilities arising solely from the Administrative Agent's, Lessor's and/or any Rent Assignee's reliance on or use of Electronic Signatures, including any liabilities arising as a result of the Plan's failure of the Lessee or Guarantor to use any available security measures in connection with the execution, delivery or transmission of any Electronic Signature.

(d) Each of the parties hereto represents and warrants to the other parties that it has the corporate capacity and authority to execute this Amendment and satisfy any other Communication through electronic means and there are no restrictions on doing so in that party's constitutive documents.

[SIGNATURE PAGES FOLLOW]

12

Exhibit 10 (vv)

IN WITNESS WHEREOF, applicable requirements for the parties hereto have executed and delivered this Amendment as deferral of the date first written above.

NORFOLK SOUTHERN RAILWAY COMPANY, as
Lessee and as Construction Agent

By: /s/ Kathleen C. Smith
Name: Kathleen C. Smith
Title: Vice President Business Development & Real Estate

[Signature Page to Consent and Second Omnibus Amendment Agreement (Norfolk Southern)]

Exhibit 10 (vv)

NORFOLK SOUTHERN CORPORATION, as Guarantor

By: /s/ Kathleen C. Smith
Name: Kathleen C. Smith
Title: Vice President Business Development & Real Estate

BANK OF AMERICA, N.A., not in its individual capacity, but solely as Administrative Agent

By: /s/ Teresa Weirath

Name: Teresa Weirath

Title: Vice President

BA LEASING BSC, LLC, as Lessor and as Rent Assignee

By: /s/ Denise C. Simpson

Name: Denise C. Simpson

Title: Vice President

CAPITAL ONE, NATIONAL ASSOCIATION, as Rent

Assignee

By: /s/ Anuj Dhingra

Name: Anuj Dhingra

Title: Duly Authorized Signatory

PNC EQUIPMENT FINANCE, LLC, as Rent Assignee

By: /s/Barbara Yerdon Booth

Name: Barbara Yerdon Booth

Title: Vice President

[Signature Page to Consent and Second Omnibus Amendment Agreement (Norfolk Southern)]

Exhibit 10 (vv)

SMBC LEASING AND FINANCE, INC., as Rent

Assignee

By: s/Stephen R. Perry

Name: Stephen R. Perry

Title: President

[Signature Page to Consent and Second Omnibus Amendment Agreement (Norfolk Southern)]

Exhibit 10 (vv)

U.S. BANK NATIONAL ASSOCIATION, as Rent

Assignee

By: /s/ Peter I. Bystol

Name: Peter I Bystol

Title: Senior Vice President

[Signature Page to Consent and Second Omnibus Amendment Agreement (Norfolk Southern)]

Exhibit 10 (vv)

WELLS FARGO BANK, N.A., as Rent Assignee

By: /s/ Kevin Valenta

Name: Kevin Valenta

Title: Director

tax.

Exhibit 21
APPENDIX A
Page 1 of 2

CONSOLIDATED (MORE THAN 50% OWNED AND CONTROLLED) SUBSIDIARIES
OF NORFOLK SOUTHERN CORPORATION AND STATES OF INCORPORATION
AS OF JANUARY 31, 2023 2024

	<u>STATE OR COUNTRY OF INCORPORATION</u>
General American Insurance Company	Georgia
Norfolk Southern Properties, Inc.	Virginia
Norfolk Southern Railway Company	Virginia
NS Fiber Optics, Inc.	Virginia
T-Cubed of North America, LLC	Delaware
Thoroughbred Technology and Telecommunications, LLC	Virginia

Norfolk Southern Railway Company Subsidiaries

Airforce Pipeline, Inc.	North Carolina
Alabama Great Southern LLC	Virginia
Alabama Great Southern Railroad Company, The	Alabama
Camp Lejeune Railroad Company	North Carolina
Carolina and Northwestern Railway Company	Delaware
Central of Georgia Railroad Company	Georgia
Chesapeake Western Railway	Virginia
Cincinnati, New Orleans and Texas Pacific Railway Company, The	Ohio
Citico Realty Company	Virginia
CNOTP LLC	Ohio
Georgia Southern and Florida Railway Company	Georgia
GSFR LLC	Georgia
High Point, Randleman, Asheboro and Southern Railroad Company	North Carolina
HPRASR LLC	North Carolina
Interstate Railroad Company	Virginia
Lamberts Point Barge Company, Inc.	Virginia
Mobile and Birmingham Railroad Company	Alabama
Norfolk and Portsmouth Belt Line Railroad Company	Virginia
Norfolk Southern International, Inc.	Virginia
Norfolk Southern - Mexico, LLC	Virginia
NorfolkSouthernMexicana, S. de R.L. de C.V.	Mexico
North Carolina Midland Railroad Company, The	North Carolina
NS Spectrum Corporation	Virginia
Rail Investment Company	Delaware
Reading Company, LLC [Virginia]	Virginia
RIC LLC	Delaware
South Western Rail Road Company, The	Georgia
Southern Rail Terminals, Inc.	Georgia
Southern Rail Terminals of North Carolina, Inc.	North Carolina
Southern Region Materials Supply, Inc.	Georgia
State University Railroad Company	North Carolina
S-VA Corporation	Virginia
TCV, Inc.	Delaware
Thoroughbred Direct Intermodal Services, Inc.	Pennsylvania
Thoroughbred Emissions Research, LLC	Virginia
Thoroughbred Funding, Inc.	Virginia
Thoroughbred Logistics Services, Transworks Inc.	Virginia
Transworks Triple Crown Services Company	Indiana Delaware

APPENDIX A

	STATE OR COUNTRY OF INCORPORATION
<u>Norfolk Southern Railway Company Subsidiaries (continued)</u>	
Transworks Inc.	Virginia
Transworks of Indiana, Inc.	Indiana
Triple Crown Services, Company Inc	Delaware Virginia
Virginia and Southwestern Railway Company	Virginia
Wheelersburg Terminal LLC	Virginia
Yadkin Railroad Company	North Carolina
Yadkin Railroad Investment LLC	North Carolina
<u>Norfolk Southern Properties, Inc. Subsidiaries</u>	
Alexandria-Southern Properties, Inc.	Virginia
Arrowood-Southern Company	North Carolina
Lambert's Point Docks, Incorporated	Virginia
Nickel Plate Improvement Company, Inc., The	Indiana
NS Transportation Brokerage Corporation	Virginia
Sandusky Dock Corporation	Virginia
Southern Region Industrial Realty, Inc.	Georgia
Virginia Holding Corporation	Virginia
Westlake Land Management, Inc.	Florida

In addition, NS owns direct or indirect equity interest in:

Conrail Inc.
Consolidated Rail Corporation and its consolidated subsidiaries
CRR Holdings LLC
Delaware Otsego Corporation
DOCP Acquisition, LLC
Green Acquisition Corp.

Exhibit 23

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statements (Nos. 333-71321, 333-205880 and 333-207640) on Form S-8 and (No. 333-252723) 333-276166) on Form S-3 of our reports report dated February 3, 2023 February 5, 2024, with respect to the consolidated financial statements and financial statement schedule of valuation and qualifying accounts as listed in Item 15(A)2 of Norfolk Southern Corporation and the effectiveness of internal control over financial reporting.

/s/ KPMG LLP
KPMG LLP

Atlanta, Georgia
February 3, 2023 5, 2024

Exhibit 31-A

CERTIFICATIONS

I, Alan H. Shaw, certify that:

REFINITIV CORPORATE DISCLOSURES | www.refinitiv.com | Contact Us

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REFINITIV 

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

Dated: **February 3, 2023** **February 5, 2024**

/s/ Alan H. Shaw

Alan H. Shaw

President and Chief Executive Officer

Exhibit 31-B

CERTIFICATIONS

I, Mark R. George, certify that:

1. I have reviewed this Annual Report on Form 10-K of Norfolk Southern Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during

the period in which this report is being prepared;

- b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: **February 3, 2023** **February 5, 2024**

/s/ Mark R. George

Mark R. George

Executive Vice President and Chief Financial Officer

Exhibit 32

CERTIFICATIONS OF CEO AND CFO REQUIRED BY RULE 13a-14(b) OR RULE
15d-14(b) AND SECTION 1350 OF CHAPTER 63 OF TITLE 18 OF THE U.S. CODE

I certify, to the best of my knowledge, that the Annual Report on Form 10-K for the period ended **December 31, 2022** **December 31, 2023**, of Norfolk Southern Corporation fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Norfolk Southern Corporation.

Signed: */s/* Alan H. Shaw

Alan H. Shaw
President and Chief Executive Officer
Norfolk Southern Corporation

Dated: **February 3, 2023** **February 5, 2024**

I certify, to the best of my knowledge, that the Annual Report on Form 10-K for the period ended **December 31, 2022** **December 31, 2023**, of Norfolk Southern Corporation fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Norfolk Southern Corporation.

Signed: */s/* Mark R. George

Mark R. George
Executive Vice President and Chief Financial Officer
Norfolk Southern Corporation

Dated: **February 3, 2023** **February 5, 2024**

Norfolk Southern Corporation

Incentive-Based Compensation Recovery Policy

Section 1. Introduction. The board of directors (the "Board") of Norfolk Southern Corporation (the "Company") has adopted this policy (the "Policy") to provide for the recovery by the Company, in the event of a Recovery Trigger (as defined below), of certain incentive-based compensation received by certain current and former executive officers, as further specified in this Policy.

This Policy is intended to comply with the requirements of Section 303A.14 of the Listed Company Manual of the New York Stock Exchange (the "NYSE") relating to erroneously awarded compensation.

Section 2. Administration. The Board, or if delegated by the Board, the Human Capital Management and Compensation Committee of the Board (the "Committee"), will administer and interpret this Policy and make all determinations for the administration of this Policy. Any determinations made by the Board and/or the Committee, as applicable, will be final, binding, and conclusive on all affected individuals. For the avoidance of doubt, any director who is a Covered Individual (as defined below) under this Policy may not participate in discussions related to, or vote on, any potential recovery of their Incentive-Based Compensation (as defined below) under this Policy.

Section 3. Statement of Policy. Following the occurrence of a Recovery Trigger, the Company will recover reasonably promptlyⁱⁱ the Erroneously Awarded Compensation (as defined below) from the applicable Covered Individual(s), except as in accordance with this Policy.

Section 4. Covered Individuals Subject to this Policy. The Policy is applicable to any current or former "executive officer" of the Company as defined in Section 303A.14 of the NYSE Listed Company Manual who "received" (see Section 7 below) the subject Incentive-Based Compensation after beginning service as an "executive officer" and who served as an "executive officer" at any time during the performance period (for that Incentive-Based Compensation) covered by the Recovery Period (as defined below) (together, "Covered Individuals").

Section 5. Recovery Trigger for Accounting Restatements. A "Recovery Trigger" will have occurred upon the earlier to occur of: (i) the date the Board, the Audit Committee of the Board, or the officer or officers of the Company authorized to take such action concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement (as defined below), or (ii) the date a court, regulator or other legally authorized body directs the Company to prepare an Accounting Restatement.

For the purposes of this Policy, an "Accounting Restatement" means a restatement of the Company's financial statements due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement (i) to correct an error in previously issued financial statements that is material to the previously issued financial statements or (ii) that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.ⁱⁱⁱ

For the avoidance of doubt, the Company's obligation to recover Erroneously Awarded Compensation is not dependent on if or when the restated financial statements are filed with the Securities and Exchange Commission ("SEC").

Section 6. Recovery Period. The Policy will apply to Incentive-Based Compensation "received" (see Section 7 below) during the three completed fiscal years immediately preceding the date on which a Recovery Trigger occurs (the "Recovery Period"). In addition to these last three completed fiscal years, this Policy applies to any transition period (that results from a change in the Company's fiscal year) within or immediately following such three completed fiscal years. However, a transition period between the last day of the Company's previous fiscal year end and the first day of its new fiscal year that comprises a period of nine to 12 months would be deemed a completed fiscal year.

Section 7. Compensation “Received”. Incentive-Based Compensation is deemed “received” by a Covered Individual in the Company’s fiscal period during which the Financial Reporting Measure (as defined below) specified in the Incentive-Based Compensation award is attained, even if the payment or grant of the applicable award occurs after the end of that period. Notwithstanding anything to the contrary contained herein, the only compensation subject to this Policy is Incentive-Based Compensation “received” by Covered Individuals on or after October 2, 2023 and while the Company had a class of securities listed on a national securities exchange or a national securities association.

Section 8. Incentive-Based Compensation Subject to Recovery. Any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure (“Incentive-Based Compensation”) will be subject to this Policy. A “Financial Reporting Measure” is a measure that is determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements and any measures that are derived wholly or in part from such measures. Stock price and total shareholder return are also Financial Reporting Measures. A Financial Reporting Measure need not be presented within the financial statements or included in a filing with the SEC. Incentive-Based Compensation is subject to recovery under this Policy even if the Accounting Restatement was not due to any misconduct or failure of oversight on the part a Covered Individual.

Section 9. Recovery of Erroneously Awarded Compensation. In the event of a Recovery Trigger, the Company will seek to recover from any applicable Covered Individual an amount of Incentive-Based Compensation “received” (see Section 7 above) that exceeds the amount that otherwise would have been “received” (see Section 7 above) by such Covered Individual had it been determined based on the restated amounts, computed without regard to any taxes paid (such excess amount, the “Erroneously Awarded Compensation”). For Incentive-Based Compensation based on stock price or total shareholder return, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in an Accounting Restatement, (i) the amount must be based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return upon which the Incentive-Based Compensation was “received” (see Section 7 above), and (ii) the Company will maintain documentation of that reasonable estimate and, if required by the NYSE, provide such documentation to the NYSE.

Section 10. Limited Exceptions to Recovery. The Company must recover Erroneously Awarded Compensation in compliance with this Policy, except to the extent that the conditions of paragraphs (c)(1)(iv)(A), (B) or (C) of Section 303A.14 of the NYSE Listed Company Manual and the Committee, or in the absence of such a committee, a majority of the independent directors serving on the Board, has made a determination that recovery would be impracticable.

Section 11. Method of Recovery. The Board and/or Committee, as applicable, will determine in its sole discretion how the Company will effect any reimbursement or recovery pursuant to this Policy, including, but not limited to the following (in each case subject to applicable law): (i) seeking repayment from the Covered Individual; (ii) reducing the amount that

would otherwise be payable to the Covered Individual under any compensatory plan, program, agreement, policy or arrangement maintained by the Company or any of its affiliates; (iii) canceling any outstanding vested or unvested award (whether cash- or equity-based) previously granted to the Covered Individual; (iv) withholding payment of future increases in compensation (including payment of any permissible discretionary bonus payments or amounts) or grants of compensatory or equity awards that otherwise would have been made in accordance with the Company’s applicable compensation practices or decisions; or (v) any combination of the foregoing.

Section 12. Policy Relationship to other Recoupment or Clawback Provisions. This Policy supplements any requirements imposed pursuant to applicable law or regulations, any clawback or recovery provision in the Company’s other policies, plans, awards and individual employment or other agreements (including any recovery provisions in the Company’s equity incentive plans or award agreements), and any other rights or remedies available to the Company, including termination of employment.

In the event that a recovery is initiated under this Policy, amounts of Incentive-Based Compensation previously recovered by the Company from a Covered Individual pursuant to the Company’s other policies, plans, awards and individual employment or other agreements shall be considered so that recovery is not duplicative, provided that in the event of a conflict between any applicable clawback or recoupment provision, including this Policy, the right to clawback or recoupment shall be interpreted to result in the greatest clawback or recoupment from the Covered Individual.

Section 13. Amendment or Termination of Policy. The Board may amend this Policy at any time, and from time to time, in its discretion. The Board may terminate this Policy at any time.

Section 14. Disclosure. The Company is required to file this Policy as an exhibit to its Form 10-K filed with the SEC and is also subject to the disclosure requirements of Item 402(w) of Regulation S-K, SEC Rule 10D-1 and Section 303A.14 of the NYSE Listed Company Manual, as applicable.

Section 15. Indemnification. The Company is prohibited from indemnifying any Covered Individual against the loss of Erroneously Awarded Compensation, including any payment or reimbursement for the cost of third-party insurance purchased by any Covered Individual to fund potential obligations to the Company under this Policy.

Section 16. Successors. This Policy shall be binding and enforceable against all Covered Individuals and their successors, heirs, beneficiaries, executors, administrators or other legal or personal representatives.

Section 17. Validity and Enforceability. To the extent that any provision of this Policy is found to be unenforceable or invalid under any applicable law, such provision will be applied to the maximum extent permitted, and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to applicable law. The invalidity or unenforceability of any provision of this Policy shall not affect the validity or enforceability of any other provision of this Policy. This Policy is intended to comply with, shall be interpreted to comply with, and shall be deemed automatically amended to comply with Section 303A.14 of the NYSE Listed Company Manual, and any related rules or regulations promulgated by the SEC or the NYSE including any additional or new requirements that become effective after October 2, 2023.

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Section 18. Acknowledgement. Covered Individuals must sign the acknowledgment in the form of Annex A as soon as practicable after the later of (i) the effective date of this Policy or (ii) the date on which the individual is appointed to a position as a Covered Individual.

Adopted by the Board of Directors on November 17, 2023

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ANNEX A

ACKNOWLEDGMENT AND AGREEMENT

I acknowledge that I have received and reviewed a copy of the Norfolk Southern Corporation Incentive-Based Compensation Recovery Policy (as may be amended from time to time, the "Policy") and agree to be bound by and subject to its terms and conditions for so long as I am a "Covered Individual" under the Policy. I further acknowledge, understand and agree that, as a Covered Individual, the Policy could affect the compensation I received or may be entitled to receive from Norfolk Southern Corporation or its subsidiaries under various agreements, plans and arrangements with Norfolk Southern Corporation or its subsidiaries. To the extent permitted by law, I hereby authorize Norfolk Southern Corporation to deduct from my wages and other forms of compensation (including but not limited to bonus, incentive, and equity compensation) any reimbursement or recovery pursuant to this Policy.

Signed: _____

Print Name: _____

Date: _____

i The company may determine whether the board of directors, or a committee of independent directors of the board of directors (under NYSE rules) should be charged with oversight of this policy

ii The NYSE listing standards, consistent with SEC Rule 10D-1, require issuers to recover erroneously awarded incentive-based compensation "reasonably promptly." Neither the NYSE listing standards nor SEC Rule 10D-1 define the phrase. In evaluating whether an issuer is recovering erroneously awarded incentive-based compensation reasonably promptly, the exchange will consider whether the issuer is pursuing an appropriate balance of cost and speed in determining the appropriate means to seek recovery, and whether the issuer is securing recovery through means that are appropriate based on the particular facts and circumstances of each executive officer that owes a recoverable amount

iii An accounting restatement due to the material noncompliance of the issuer of any financial reporting requirement under the securities law would include both: (i) "Big R" restatements, which stem from an error was material to previously issued financial statements (requiring a company to file an Item 4.02 Form 8-K); and (ii) "little r" restatements, which correct errors that were not material to previously issued financial statements but that would result in a material misstatement in the current period if (x) the error was left uncorrected in the current period or (y) the correction of the error was recognized only in the current period

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