PROXY PAPER

NORFOLK SOUTHERN CORPORATION

NYSE: **NSC**

ISIN: **US6558441084**

MEETING DATE: 09 MAY 2024
RECORD DATE: 04 MARCH 2024
PUBLISH DATE: 28 APRIL 2024

COMPANY DESCRIPTION

Norfolk Southern Corporation, together with its subsidiaries, engages in the rail transportation of raw materials, intermediate products, and finished goods in the United States.

INDEX MEMBERSHIP: RUSSELL 1000; RUSSELL 3000; DOW JONES COMPOSITE AVERAGE; S&P 500
SECTOR: INDUSTRIALS
INDUSTRY: GROUND TRANSPORTATION
COUNTRY OF TRADE: UNITED STATES
COUNTRY OF INCORPORATION: UNITED STATES
HEADQUARTERS: GEORGIA
VOTING IMPEDIMENT: NONE

OWNERSHIP	COMPANY PROFILE	ESG PROFILE	COMPENSATION	COMPENSATION ANALYSIS	COMPANY UPDATES
PEER COMPARISON	VOTE RESULTS	COMPANY FEEDBACK	APPENDIX	SUSTAINALYTICS ESG	ESG BOOK PROFILE
BITSIGHT CYBER SECURITY					

2024 CONTESTED PROXY - MANAGEMENT (WHITE) CARD

PROPOSAL	ISSUE	BOARD	GLASS LEWIS	CONCERNS
1.00	Election of Directors	SPLIT	**DO NOT VOTE**	• **Recommendation on dissident card**
1.01	Elect Management Nominee Richard H. Anderson	FOR	**DO NOT VOTE**	• **Recommendation on dissident card**
1.02	Elect Management Nominee Philip S. Davidson	FOR	**DO NOT VOTE**	• **Recommendation on dissident card**
1.03	Elect Management Nominee Francesca DeBiase	FOR	**DO NOT VOTE**	• **Recommendation on dissident card**
1.04	Elect Management Nominee Marcela E. Donadio	FOR	**DO NOT VOTE**	• **Recommendation on dissident card**
1.05	Elect Management Nominee Mary Kathryn Heitkamp	FOR	**DO NOT VOTE**	• **Recommendation on dissident card**
1.06	Elect Management Nominee John C. Huffard, Jr.	FOR	**DO NOT VOTE**	• **Recommendation on dissident card**
1.07	Elect Management Nominee Christopher T. Jones	FOR	**DO NOT VOTE**	• **Recommendation on dissident card**
1.08	Elect Management Nominee Thomas Colm Kelleher	FOR	**DO NOT VOTE**	• **Recommendation on dissident card**
1.09	Elect Management Nominee Amy E. Miles	FOR	**DO NOT VOTE**	• **Recommendation on dissident card**
1.10	Elect Management Nominee Claude Mongeau	FOR	**DO NOT VOTE**	• **Recommendation on dissident card**

1.11	Elect Management Nominee Jennifer F. Scanlon	FOR	**DO NOT VOTE**	• **Recommendation on dissident card**
1.12	Elect Management Nominee Alan H. Shaw	FOR	**DO NOT VOTE**	• **Recommendation on dissident card**
1.13	Elect Management Nominee John R. Thompson	FOR	**DO NOT VOTE**	• **Recommendation on dissident card**
1.14	Elect Dissident Nominee Betsy Atkins	WITHHOLD	**DO NOT VOTE**	• **Recommendation on dissident card**
1.15	Elect Dissident Nominee James Barber, Jr.	WITHHOLD	**DO NOT VOTE**	• **Recommendation on dissident card**
1.16	Elect Dissident Nominee William Clyburn, Jr.	WITHHOLD	**DO NOT VOTE**	• **Recommendation on dissident card**
1.17	Elect Dissident Nominee Sameh Fahmy	WITHHOLD	**DO NOT VOTE**	• **Recommendation on dissident card**
1.18	Elect Dissident Nominee John Kasich	WITHHOLD	**DO NOT VOTE**	• **Recommendation on dissident card**
1.19	Elect Dissident Nominee Gilbert Lamphere	WITHHOLD	**DO NOT VOTE**	• **Recommendation on dissident card**
1.20	Elect Dissident Nominee Allison Landry	WITHHOLD	**DO NOT VOTE**	• **Recommendation on dissident card**
2.00	Ratification of Auditor	FOR	**DO NOT VOTE**	• **Recommendation on dissident card**
3.00	Advisory Vote on Executive Compensation	FOR	**DO NOT VOTE**	• **Recommendation on dissident card**
4.00	Shareholder Proposal Regarding Lobbying Report	AGAINST	**DO NOT VOTE**	• **Recommendation on dissident card**
5.00	Shareholder Proposal Regarding Repeal of Bylaw Amendments	AGAINST	**DO NOT VOTE**	• **Recommendation on dissident card**

2024 CONTESTED PROXY - DISSIDENT (BLUE) CARD

PROPOSAL	ISSUE	BOARD	GLASS LEWIS	CONCERNS
1.00	Election of Directors	DO NOT VOTE	**SPLIT**	
1.01	Elect Dissident Nominee Betsy Atkins	DO NOT VOTE	**FOR**	• **Dissident nominees add relevant experience/expertise** • **In favor of dissident's plan**
1.02	Elect Dissident Nominee James Barber, Jr.	DO NOT VOTE	**FOR**	• **Dissident nominees add relevant experience/expertise** • **In favor of dissident's plan**
1.03	Elect Dissident Nominee William Clyburn, Jr.	DO NOT VOTE	**FOR**	• **Dissident nominees add relevant experience/expertise** • **In favor of dissident's plan**
1.04	Elect Dissident Nominee Sameh Fahmy	DO NOT VOTE	**FOR**	• **Dissident nominees add relevant experience/expertise** • **In favor of dissident's plan**
1.05	Elect Dissident Nominee John Kasich	DO NOT VOTE	**WITHHOLD**	• **Dissident nominee does not add relevant experience/expertise**

1.06	Elect Dissident Nominee Gilbert Lamphere	DO NOT VOTE	**FOR**	• **Dissident nominees add relevant experience/expertise** • **In favor of dissident's plan**
1.07	Elect Dissident Nominee Allison Landry	DO NOT VOTE	**FOR**	• **Dissident nominees add relevant experience/expertise** • **In favor of dissident's plan**
1.08	Elect Management Nominee Mary Kathryn Heitkamp	DO NOT VOTE	**FOR**	
1.09	Elect Management Nominee John C. Huffard, Jr.	DO NOT VOTE	**WITHHOLD**	• **Financial and/or operating underperformance** • **Corporate governance concerns**
1.10	Elect Management Nominee Claude Mongeau	DO NOT VOTE	**WITHHOLD**	• **Financial and/or operating underperformance** • **Corporate governance concerns**
1.11	Elect Management Nominee Amy E. Miles	DO NOT VOTE	**WITHHOLD**	• **Financial and/or operating underperformance** • **Corporate governance concerns**
1.12	Elect Management Nominee Jennifer F. Scanlon	DO NOT VOTE	**WITHHOLD**	• **Financial and/or operating underperformance** • **Corporate governance concerns**
1.13	Elect Management Nominee Alan H. Shaw	DO NOT VOTE	**WITHHOLD**	• **Financial and/or operating underperformance** • **Corporate governance concerns**
1.14	Elect Management Nominee John R. Thompson	DO NOT VOTE	**WITHHOLD**	• **Financial and/or operating underperformance** • **Corporate governance concerns**
1.15	Elect Management Nominee Richard H. Anderson	DO NOT VOTE	**FOR**	
1.16	Elect Management Nominee Philip S. Davidson	DO NOT VOTE	**FOR**	
1.17	Elect Management Nominee Francesca DeBiase	DO NOT VOTE	**FOR**	
1.18	Elect Management Nominee Marcela E. Donadio	DO NOT VOTE	**FOR**	
1.19	Elect Management Nominee Christopher T. Jones	DO NOT VOTE	**FOR**	
1.20	Elect Management Nominee Thomas Colm Kelleher	DO NOT VOTE	**FOR**	
2.00	Ratification of Auditor	DO NOT VOTE	**FOR**	
3.00	Advisory Vote on Executive Compensation	DO NOT VOTE	**AGAINST**	• **Discretion related to adjusted metrics**
4.00	Shareholder Proposal Regarding Lobbying Report	DO NOT VOTE	**FOR**	• **Increased disclosure would allow shareholders to more fully assess risks presented by the Company's lobbying activities**

5.00	Shareholder Proposal Regarding Repeal of Bylaw Amendments	DO NOT VOTE	**FOR**	• **In favor of Dissident's plan**

POTENTIAL CONFLICTS

As of October 2021, U.S. and Canadian companies are eligible to purchase and receive Equity Plan Advisory services from Glass Lewis Corporate, LLC ("GLC"), a Glass Lewis affiliated company. More information, including whether the company that is the subject of this report used GLC's services with respect to any equity plan discussed in this report, is available to Glass Lewis' institutional clients on Viewpoint or by contacting compliance@glasslewis.com. Glass Lewis maintains a strict separation between GLC and its research analysts. GLC and its personnel did not participate in any way in the preparation of this report.

DISCLOSURE NOTES

ADDITIONAL DISCLOSURE NOTE: PROXY TALK: Ancora Advisors participated in Glass Lewis' Proxy Talk service for this meeting. The Proxy Talk program enables interested parties to present their views directly to Glass Lewis clients. Glass Lewis always offers both sides involved in special situations the opportunity to hold a Proxy Talk. In line with Glass Lewis' Policies and Procedures for Managing and Disclosing Conflicts of Interest, only publicly available information is used in Glass Lewis' analysis and the determination of voting recommendations. For more information on the Proxy Talk program, please visit https://www.glasslewis.com/proxy-talk-1/.

ENGAGEMENT ACTIVITIES

Glass Lewis held the following engagement meetings within the past year:

ENGAGED WITH	MEETING DATE	ORGANIZER	TYPE OF MEETING	TOPICS DISCUSSED
Dissident	17 April 2024	Proxy Solicitor	Teleconference/Web-Meeting	Board Composition and Performance,Company Performance / Strategy,Proxy Contest
Investor	18 April 2024	Investor	Teleconference/Web-Meeting	Board Composition and Performance,Company Performance / Strategy,Proxy Contest
Issuer	19 April 2024	Proxy Solicitor	Teleconference/Web-Meeting	Board Composition and Performance,Company Performance / Strategy,Proxy Contest

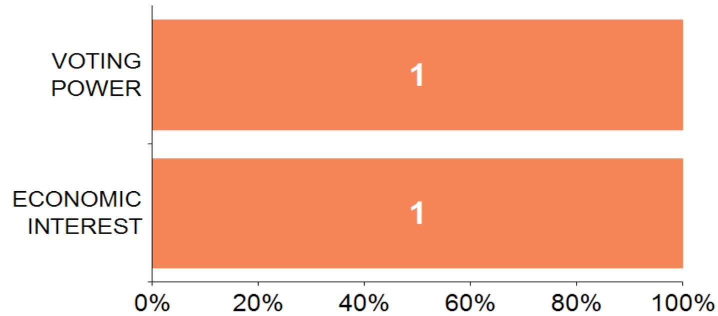
For further information regarding our engagement policy, please visit http://www.glasslewis.com/engagement-policy/.

SHARE OWNERSHIP PROFILE

SHARE BREAKDOWN

	1
SHARE CLASS	Common Stock
SHARES OUTSTANDING	225.9 M
VOTES PER SHARE	1
INSIDE OWNERSHIP	0.10%
STRATEGIC OWNERS**	0.20%
FREE FLOAT	99.80%

SOURCE CAPITAL IQ AND GLASS LEWIS. AS OF 26-APR-2024



TOP 20 SHAREHOLDERS

	HOLDER	OWNED*	COUNTRY	INVESTOR TYPE
1.	The Vanguard Group, Inc.	8.21%	United States	Traditional Investment Manager
2.	BlackRock, Inc.	6.37%	United States	Traditional Investment Manager
3.	State Street Global Advisors, Inc.	4.06%	United States	Traditional Investment Manager
4.	Dodge & Cox	3.64%	United States	Traditional Investment Manager
5.	Lazard Asset Management LLC	3.48%	United States	Traditional Investment Manager
6.	JP Morgan Asset Management	3.26%	United States	Traditional Investment Manager
7.	T. Rowe Price Group, Inc.	2.59%	United States	Traditional Investment Manager
8.	Geode Capital Management, LLC	1.92%	United States	Traditional Investment Manager
9.	Wells Fargo & Company, Securities and Brokerage Investments	1.78%	United States	Bank/Investment Bank
10.	EdgePoint Investment Group Inc.	1.51%	Canada	Traditional Investment Manager
11.	American Century Investment Management Inc	1.35%	United States	Traditional Investment Manager
12.	Northern Trust Global Investments	1.31%	United Kingdom	Traditional Investment Manager
13.	Legal & General Investment Management Limited	1.12%	United Kingdom	Traditional Investment Manager
14.	Capital Research and Management Company	1.10%	United States	Traditional Investment Manager
15.	Norges Bank Investment Management	1.04%	Norway	Bank/Investment Bank
16.	Managed Account Advisors LLC	0.93%	United States	Traditional Investment Manager
17.	Dimensional Fund Advisors LP	0.88%	United States	Traditional Investment Manager
18.	BNY Mellon Asset Management	0.85%	United States	Traditional Investment Manager
19.	The London Company of Virginia, LLC	0.83%	United States	Traditional Investment Manager
20.	Fidelity International Ltd	0.81%	Bermuda	Traditional Investment Manager

**COMMON STOCK EQUIVALENTS (AGGREGATE ECONOMIC INTEREST) SOURCE: CAPITAL IQ. AS OF 26-APR-2024*
***CAPITAL IQ DEFINES STRATEGIC SHAREHOLDER AS A PUBLIC OR PRIVATE CORPORATION, INDIVIDUAL/INSIDER, COMPANY CONTROLLED FOUNDATION, ESOP OR STATE OWNED SHARES OR ANY HEDGE FUND MANAGERS, VC/PE FIRMS OR SOVEREIGN WEALTH FUNDS WITH A STAKE GREATER THAN 5%.*

SHAREHOLDER RIGHTS

	MARKET THRESHOLD	COMPANY THRESHOLD[1]
VOTING POWER REQUIRED TO CALL A SPECIAL MEETING	N/A	20.00%
VOTING POWER REQUIRED TO ADD AGENDA ITEM	$2,000[2]	$2,000[2]
VOTING POWER REQUIRED TO APPROVE A WRITTEN CONSENT	N/A	100.00%

[1] N/A INDICATES THAT THE COMPANY DOES NOT PROVIDE THE CORRESPONDING SHAREHOLDER RIGHT.
[2] UNLESS GRANDFATHERED, SHAREHOLDERS MUST OWN SHARES WITH MARKET VALUE OF AT LEAST $2,000 FOR THREE YEARS. ALTERNATIVELY, SHAREHOLDERS MUST OWN SHARES WITH MARKET VALUE OF AT LEAST $15,000 FOR TWO YEARS; OR SHARES WITH MARKET VALUE OF $25,000 FOR AT LEAST ONE YEAR.

COMPANY PROFILE

FINANCIALS

	1 YR TSR	3 YR TSR AVG.	5 YR TSR AVG.
NSC	*-1.6%*	*1.9%*	*11.8%*
S&P 500	*26.3%*	*10.0%*	*15.7%*
Peers*	*19.6%*	*10.0%*	*16.8%*

Market Capitalization (MM $)	53,361
Enterprise Value (MM $)	69,898
Revenues (MM $)	12,156

*ANNUALIZED SHAREHOLDER RETURNS. *PEERS ARE BASED ON THE INDUSTRY SEGMENTATION OF THE GLOBAL INDUSTRIAL CLASSIFICATION SYSTEM (GICS). FIGURES AS OF 31-DEC-2023. SOURCE: CAPITAL IQ*

EXECUTIVE COMPENSATION

Total CEO Compensation $13,418,978

1-Year Change in CEO Pay	*37%*	**CEO to Median Employee Pay Ratio**	*109:1*
Say on Pay Frequency	*1 Year*	**Compensation Grade 2023**	*C*
Glass Lewis Structure Rating	*Fair*	**Glass Lewis Disclosure Rating**	*Fair*
Single Trigger CIC Vesting	*No*	**Excise Tax Gross-Ups**	*No*
NEO Ownership Guidelines	*Yes*	**Overhang of Incentive Plans**	*3.85%*

CORPORATE GOVERNANCE

Election Method	*Plurality*	**CEO Start Date**	*May 2022*
Controlled Company	*No*	**Proxy Access**	*Yes*
Multi-Class Voting	*No*	**Virtual-Only Meeting**	*Yes*
Staggered Board	*No*	**Average NED Tenure**	*5 years*
Combined Chair/CEO	*No*	**Gender Diversity on Board**	*38.5%*
Individual Director Skills Matrix Disclosed	*Yes*	**Company-Reported Racial/Ethnic Diversity on Board**	*23.0%*
Supermajority* to Amend Bylaws and/or Charter	*No*	**Age-Based Director Retirement Policy/Guideline**	*Yes; 75*
Numerical Director Commitments Policy	*Yes*		

**Supermajority defined as at least two-thirds of shares outstanding*

ANTI-TAKEOVER

Poison Pill	*No*
Approved by Shareholders/Expiration Date	*N/A; N/A*

AUDITORS

Auditor: KPMG — **Tenure:** 42 Years

Material Weakness(es) Outstanding	*No*
Restatement(s) in Past 12 Months	*No*

SASB MATERIALITY

Primary SASB Industry: Rail Transportation

Financially Material Topics:

- *Air Quality*
- *Greenhouse Gas Emissions*
- *Accident & Safety Management*
- *Employee Health & Safety*
- *Competitive Behavior*

Company Reports to SASB/Extent of Disclosure: Yes; Full Standard

CURRENT AS OF APR 28, 2024

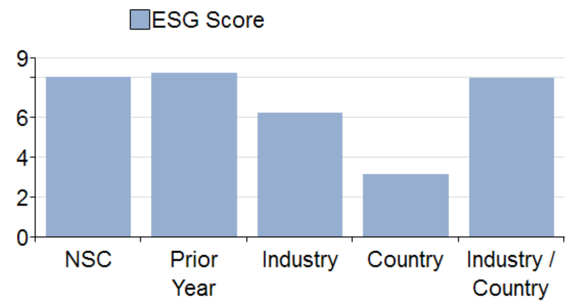
GLASS LEWIS ESG PROFILE

GLASS LEWIS ESG SCORE: 8.1 / 10

ESG SCORE SUMMARY

Board Accountability Score:	8.5 / 10	**ESG Transparency Score:**	10.0 / 10	**Targets and Alignment Score:**	5.8 / 10
Climate Risk Mitigation Score:	7.6 / 10	**Biodiversity Score:**	N/A		

SCORE BREAKDOWN



PRIOR YEAR ESG SCORE*	8.271
CHANGE IN ESG SCORE	-0.18
INDUSTRY	6.3 (1.82)
COUNTRY	3.2 (4.89)
INDUSTRY / COUNTRY	8.0 (0.07)

*As of our Proxy Paper for the Annual Meeting on 11-May-23

BOARD ACCOUNTABILITY (8.5 / 10)

Average NED Tenure	5 years	**Percent Gender Diversity**	38%
Director Independence	92%	**Board Oversight of ESG**	Yes
Board Oversight of Cyber	Yes	**Board Oversight of Human Capital**	Yes
Compensation Linked to E&S Metrics	Yes	**Lowest Support for Directors in Prior Year**	87.2%
Prior Year Say on Pay Support	84.1%	**Annual Director Elections**	Yes
Inequitable Voting Rights	No	**Pay Ratio**	109:1
Diversity Disclosure Assessment	Good	**Failure to Respond to Shareholder Proposal**	No

ESG TRANSPARENCY (10.0 / 10)

Comprehensive Sustainability Reporting	Yes	**GRI-Indicated Report**	Yes
Reporting Assurance	Yes	**Reporting Aligns with TCFD**	Yes
Discloses Scope 1 & 2 Emissions	Yes	**Discloses Scope 3 Emissions**	Yes
Reports to SASB	Yes	**Extent of SASB Reporting**	Full Standard
Discloses EEO-1 Report	Yes	**CPA-Zicklin Score**	91.4

ESG TARGETS AND ALIGNMENT (5.8 / 10)

Has Scope 1 and/or 2 GHG Reduction Targets	Yes	**Has Scope 3 GHG Reduction Targets**	No
Has Net Zero GHG Target	No	**Reduction Target Certified by SBTi**	Yes
SBTi Near-Term Target	Well-below 2 degrees	**SBTi Long-Term Target**	N/A
SBTi Net Zero Target	N/A	**UNGC Participant or Signatory**	No
Has Human Rights Policy	Yes	**Human Rights Policy Aligns with UDHR or ILO**	Yes
Has Biodiversity Policy	Yes		

CLIMATE RISK MITIGATION (7.6 / 10)

TPI Management Quality Score	4	**Board Oversight of Climate**	Yes
TPI Carbon Performance Score	N/A	**Has Interim GHG Targets**	No
Just Transition Disclosure	No	**Climate Lobbying Statement**	Yes
Discloses Results of Scenario Analysis	Below 2 Degrees	**Compensation Linked to Climate**	Yes
Quality of TCFD Reporting	Good		

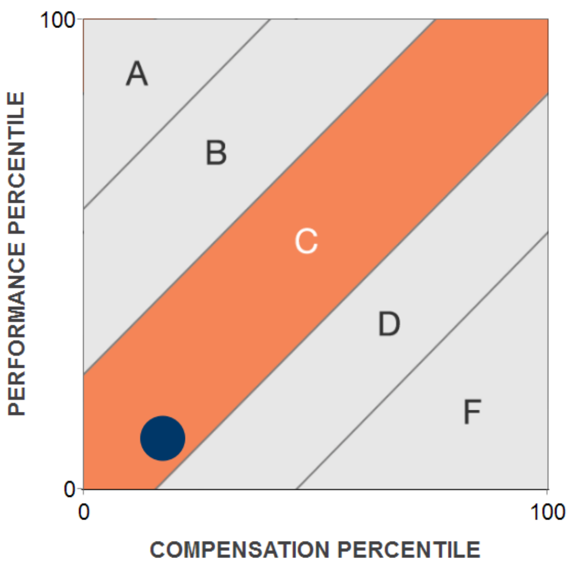
PAY-FOR-PERFORMANCE

Norfolk Southern's executive compensation received a **C** grade in our proprietary pay-for-performance model. The Company paid less compensation to its named executive officers than the median compensation for a group of companies selected based on Glass Lewis' peer group methodology and Diligent Intel's company data.The CEO was paid less than the median CEO compensation of these peer companies. Overall, the Company paid less than its peers and performed worse than its peers.

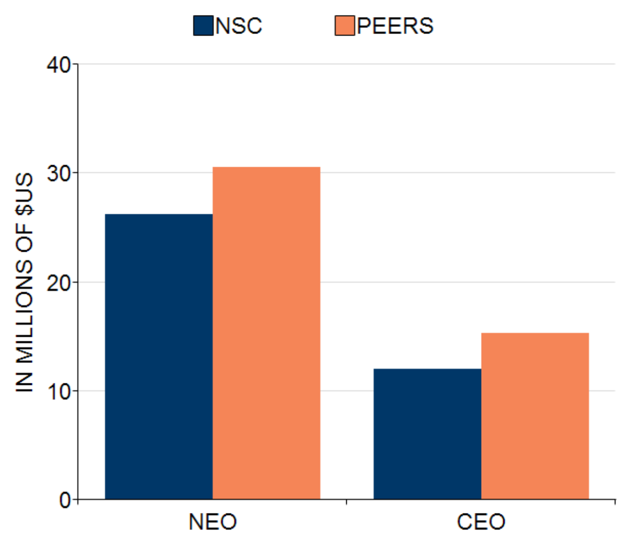
HISTORICAL COMPENSATION GRADE		
	FY 2022:	C
	FY 2021:	C
	FY 2020:	C

FY 2023 CEO COMPENSATION		
	SALARY:	$1,100,000
	GDFV EQUITY:	$9,795,634
	NEIP/OTHER:	$147,067
	TOTAL:	$11,042,701

FY 2023 PAY-FOR-PERFORMANCE GRADE



3-YEAR WEIGHTED AVERAGE COMPENSATION

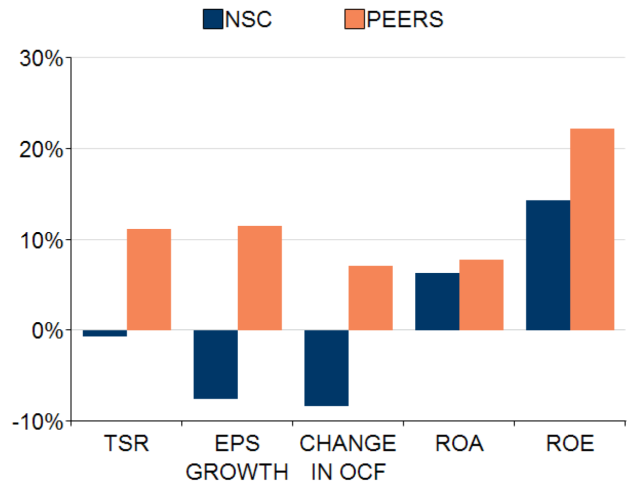


GLASS LEWIS PEERS VS PEERS DISCLOSED BY COMPANY

GLASS LEWIS	NSC
CSX Corporation* Union Pacific Corporation* Emerson Electric Co. J.B. Hunt Transport Services, Inc. Ryder System, Inc. Trane Technologies plc* Illinois Tool Works Inc.* Parker-Hannifin Corporation* Fortive Corporation* Dover Corporation* Eaton Corporation plc* Canadian National Railway Company* Johnson Controls International plc* Cummins Inc. Rockwell Automation, Inc.	Burlington Northern Santa Fe, LLC Carrier Global Corporation Otis Worldwide Corporation Canadian Pacific Kansas City Limited Republic Services, Inc. Xylem Inc. Westinghouse Air Brake Technologies Corporation Waste Management, Inc. XPO, Inc. Textron Inc. L3Harris Technologies, Inc.

***ALSO DISCLOSED BY NSC**

SHAREHOLDER WEALTH AND BUSINESS PERFORMANCE



Analysis for the year ended 12/31/2023. Performance measures, except ROA and ROE, are based on the weighted average of annualized one-, two- and three-year data. Compensation figures are weighted average three-year data calculated by Glass Lewis. Data for Glass Lewis' pay-for-performance tests are sourced from Diligent Compensation & Governance Intel and company filings, including proxy statements, annual reports, and other forms for pay. Performance and TSR data are sourced from Capital IQ and publicly filed annual reports. For Canadian peers, equity awards are normalized using the grant date exchange rate and cash compensation data is normalized using the fiscal year-end exchange rate. The performance metrics used in the analysis are selected by Glass Lewis and standardized across companies by industry. These metrics may differ from the key metrics disclosed by individual companies to meet SEC pay-versus-performance rules.

Glass Lewis peers are based on Glass Lewis' proprietary peer methodology, which considers both country-based and sector-based peers, along with each company's disclosed peers, and are updated in February and August. Peer data is based on publicly available information, as well as information provided to Glass Lewis during the open submission periods. The "Peers Disclosed by Company" data is based on public information in proxy statements and on companies' submissions. Glass Lewis may exclude certain peers from the Pay for Performance analysis based on factors such as trading status and/or data availability.

For details on the Pay-for-Performance analysis and peer group methodology, please refer to Glass Lewis' Pay-for-Performance Methodology & FAQ.

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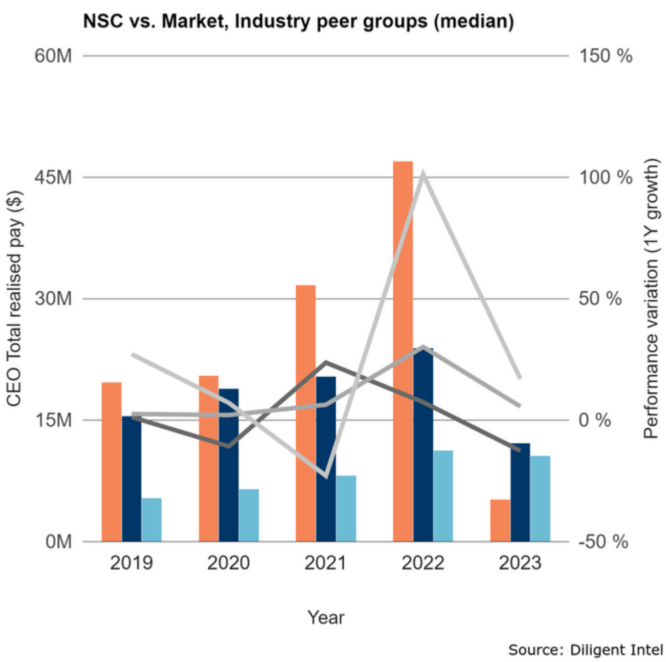
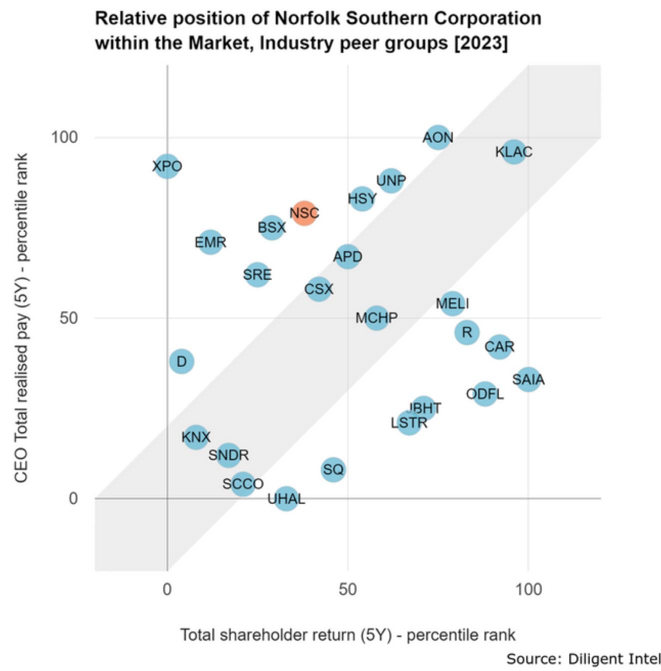
COMPENSATION ANALYSIS





Total realised pay (NSC)	Total realised pay (Market)	Total realised pay (Industry)	EBITDA (NSC)	EBITDA (Market)	EBITDA (Industry)

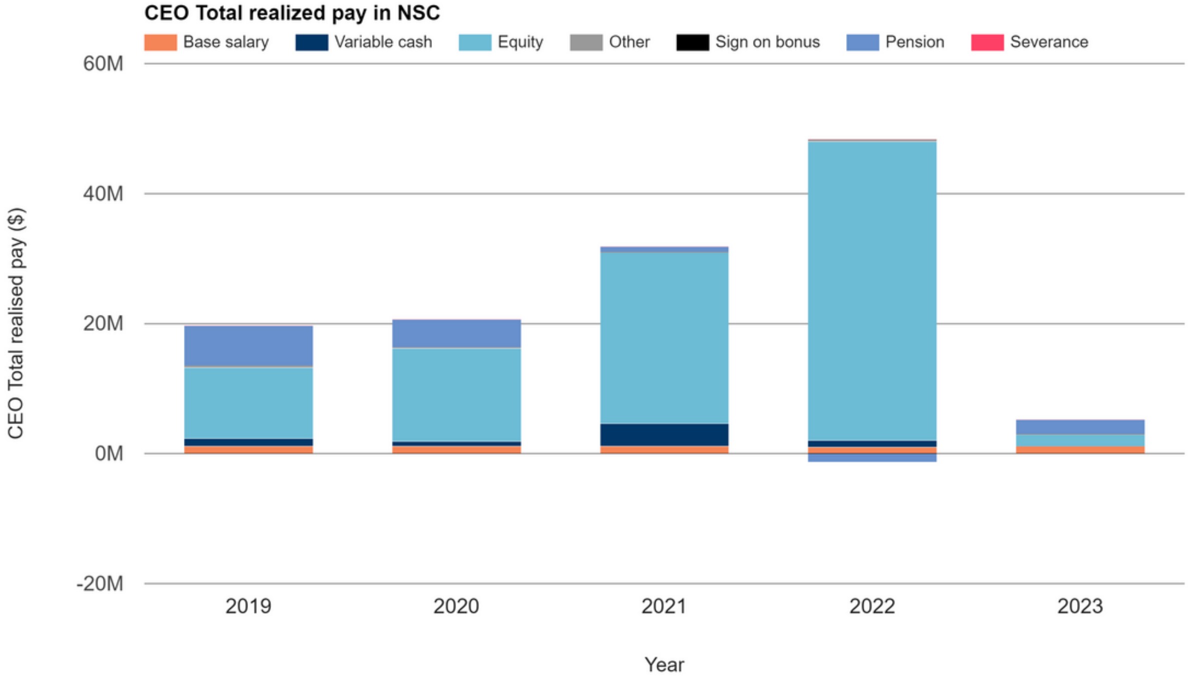
** All financial metrics are plotted at fiscal year growth rates in the graphs above. Absolute values are found in the tables below.*

	Total realised pay ($)*			EBITDA ($)*			ROA			ROIC		
Year	NSC	Market (Median)	Industry (Median)	NSC	Market (Median)	Industry (Median)	NSC	Market (Median)	Industry (Median)	NSC	Market (Median)	Industry (Median)
2023	5.2	12.2	10.6	5,382.0	4,010.8	1,933.0	6.3%	5.6%	6.1%	8.5%	10.2%	7.5%
2022	47.0	23.9	11.3	6,156.0	3,796.6	1,651.5	8.0%	5.1%	7.6%	10.8%	6.9%	9.8%
2021	31.7	20.4	8.2	5,730.0	2,917.0	821.2	7.4%	3.7%	4.3%	10.0%	4.5%	6.5%
2020	20.5	18.9	6.5	4,632.0	2,742.0	1,065.0	5.7%	3.0%	3.1%	7.7%	3.8%	4.2%
2019	19.7	15.5	5.4	5,191.0	2,685.0	994.0	6.8%	4.3%	4.3%	9.2%	5.7%	6.1%

** Values provided in millions.*

List of companies

Market peer group	Air Products and Chemicals, Inc. (APD), Aon plc (AON), Block, Inc. (SQ), Boston Scientific Corporation (BSX), CSX Corporation (CSX), Dominion Energy, Inc. (D), Emerson Electric Co. (EMR), Keurig Dr Pepper Inc. (KDP), KLA Corporation (KLAC), MercadoLibre, Inc. (MELI), Microchip Technology Incorporated (MCHP), NXP Semiconductors N.V. (NXPI), Sempra (SRE), Southern Copper Corporation (SCCO), The Hershey Company (HSY)
Industry peer group	Avis Budget Group, Inc. (CAR), CSX Corporation (CSX), Hertz Global Holdings, Inc. (HTZ), J.B. Hunt Transport Services, Inc. (JBHT), Knight-Swift Transportation Holdings Inc. (KNX), Landstar System, Inc. (LSTR), Lyft, Inc. (LYFT), Old Dominion Freight Line, Inc. (ODFL), Ryder System, Inc. (R), Saia, Inc. (SAIA), Schneider National, Inc. (SNDR), U-Haul Holding Company (UHAL), Uber Technologies, Inc. (UBER), Union Pacific Corporation (UNP), XPO, Inc. (XPO)



Source: Diligent Intel

Year	Total realised pay ($)	Base salary ($)	Variable cash ($)	Equity ($)	Other ($)	Sign on bonus ($)	Pension ($)	Severance ($)
2023	5,208,440	1,100,000	0	1,789,793	147,067	0	2,171,580	0
2022	46,962,993	966,667	1,008,277	46,037,479	264,607	0	-1,314,036	0
2021	31,705,369	1,100,000	3,465,000	26,321,965	62,740	0	755,664	0
2020	20,528,879	1,100,000	779,625	14,253,523	64,823	0	4,330,908	0
2019	19,684,879	1,100,000	1,200,375	10,897,536	302,816	0	6,184,152	0

For further information on the peers and methodology, or to submit feedback, please see our FAQs.

The Compensation Analysis is based on Glass Lewis' proprietary methodology using Diligent Intel proprietary platform. The intellectual property rights to the platform are vested exclusively in Diligent Compensation & Governance Intel, the brand under which Diligent Corporation operates and provides these services. Compensation figures are standardized and calculated by Diligent Intel based on information disclosed by the Company and its peers in their disclosures and proxy materials. For realizable pay reported for European and Australian companies, equity awards are normalized using the vesting date share price or when not disclosed by the Company using the year end share price. For U.S. and Canadian companies, realized pay is recorded as publicly disclosed in company proxy statements. Financial data deployed within the Diligent Intel platform is normalized and based on information provided by Capital IQ. The performance metrics used in the analysis are selected by Glass Lewis and standardized across companies by industry. Pertaining to U.S. companies, these metrics may differ from the key metrics disclosed by individual companies to meet SEC pay-versus-performance rules. Diligent Intel is a specialist provider of governance research and data analytics. It provides real time data and powerful analytical tools, for independent analysis of corporate governance practices of leading listed companies across the globe, in a single convenient solution. Diligent Corporation and/or its affiliates and suppliers do not make any representation or warranty, express or implied, of any nature, and do not accept any responsibility or liability of any kind, including with respect to the accuracy, completeness or suitability for any purpose of the information contained herein arising from the use of the Diligent Intel platform in connection with this Proxy Paper in any manner whatsoever.

COMPANY UPDATES

OVERVIEW OF RECENT DERAILMENTS AND SAFETY CONCERNS

As discussed in last year's Proxy Paper, on February 3rd, 2023, a Norfolk Southern train carrying hazardous chemicals derailed in East Palestine, Ohio, resulting in a fire that damaged dozens of the train's cars. In the immediate aftermath, authorities ordered nearby residents to evacuate the area out of concern of an explosion and the potential effects of hazardous fumes from the fire. Three days later, the evacuation area was expanded to a one-mile-by-three-mile area, stretching across the border between Ohio and Pennsylvania, while the Company began a controlled release and burn of the train's contents.

Since the East Palestine derailment, the Company has faced intense criticism and scrutiny from various stakeholders who have generally sought answers and/or accountability from the Company for the accident. The derailment has also put the Company's culture, human capital management and workplace safety under the microscope. Understandably, the Company has had to devote substantial attention and resources over the past year to addressing questions and concerns from the affected local community, lawmakers, regulators, customers and investors. The Company still faces numerous government lawsuits and federal safety investigations relating to the derailment, though an investigation by the National Transportation Safety Board (the "NTSB") is expected to be wrapped up in late June 2024. Further, on April 9, 2024, the Company announced it had agreed to pay $600 million to settle a class action lawsuit brought by residents of East Palestine, Ohio over the derailment.

Please refer to our analysis in Proposal 1.00 for further details regarding these matters.

ADVANCE NOTICE PROVISIONS AMENDED

On July 27, 2023, the Company disclosed in a Form 8-K that the board had amended the Company's bylaws to alter the advance notice requirements for shareholders wishing to bring items (including board nominees) to a vote at shareholder meetings.

Advance notice provisions and related disclosure requirements are commonplace at public companies. Notably, in November 2021, the SEC adopted rules to require the use of universal proxy cards by management and shareholders soliciting proxy votes for their own candidates in contested director elections. These requirements became effective for all shareholder meetings involving a director election from August 31, 2022.

In response, numerous companies amended their bylaws to ensure compliance with the new rules as well as to adjust the requirements of their advance notice provisions, including the Company. In this case, the board has significantly increased the burden on shareholders who wish to bring items to a vote at shareholder meetings. However, following review, we do not believe any of the Company's new requirements are unduly burdensome or unreasonable.

1.00: ELECTION OF DIRECTORS

SPLIT

PROPOSAL REQUEST: Election of thirteen directors **ELECTION METHOD:** Plurality

RECOMMENDATIONS & CONCERNS:

WITHHOLD: **A. Shaw** ; **J. Huffard, Jr.** ; **A. Miles** ; **C. Mongeau** ; **J. Scanlon** ; **J. Thompson**

FOR: **R. Anderson** ; **P. Davidson** ; **F. DeBiase** ; **M. Donadio** ; **M. Heitkamp** ; **C. Jones** ; **T. Kelleher**

BOARD OF DIRECTORS

	UP	NAME	AGE	GENDER	DIVERSE+	GLASS LEWIS CLASSIFICATION	COMPANY CLASSIFICATION	OWN**	COMMITTEES AUDIT	COMP	GOV	NOM	E&S^	CYB^^	TERM START	TERM END	YEARS ON BOARD
⊟	✔	Alan H. Shaw* ·CEO	56	M	N/D	Insider [1]	Not Independent	Yes							2022	2024	2
	✔	Richard H. Anderson	68	M	N/D	Independent	Independent	No							2024	2024	0
	✔	Philip S. Davidson	64	M	N/D	Independent	Independent	Yes						✔	2023	2024	1
	✔	Francesca DeBiase	58	F	N/D	Independent	Independent	Yes	✔X		✔	✔	✔		2023	2024	1
	✔	Marcela E. Donadio	69	F	Yes	Independent	Independent	Yes	CX					✔	2016	2024	8
	✔	Mary Kathryn Heitkamp	68	F	N/D	Independent	Independent	No							2024	2024	0
⊟	✔	John C. Huffard, Jr.	56	M	N/D	Independent	Independent	Yes		✔				✔	2020	2024	4
	✔	Christopher T. Jones	59	M	N/D	Independent	Independent	Yes	✔X						2020	2024	4
	✔	Thomas Colm Kelleher	66	M	N/D	Independent [2]	Independent	Yes	✔X					C	2019	2024	5
⊟	✔	Amy E. Miles ·Chair	57	F	N/D	Independent [3]	Independent	Yes							2014	2024	10
⊟	✔	Claude Mongeau	62	M	N/D	Independent	Independent	Yes		✔					2019	2024	5
⊟	✔	Jennifer F. Scanlon	57	F	N/D	Independent	Independent	Yes			C	C	C		2018	2024	6
⊟	✔	John R. Thompson	72	M	N/D	Independent	Independent	Yes		C	✔	✔	✔		2013	2024	11

C = Chair, * = Public Company Executive, X = Audit Financial Expert, ⊟ = Withhold or Against Recommendation

1. President and CEO.
2. Former president of Morgan Stanley (until June 2019), which provided banking/financial advisory services to the Company in the past.
3. Chair.

+Reflects racial/ethnic diversity reported either by the Company or by another company where the individual serves as a director. Only racial/ethnic diversity reported by the Company will be reflected in the Company's reported racial/ethnic board diversity percentage listed elsewhere in this Proxy Paper, if available.
***Percentages displayed for ownership above 5%, when available*
^Indicates board oversight responsibility for environmental and social issues. If this column is empty, it indicates that this responsibility hasn't been formally designated and codified in committee charters or other governing documents. ^^Indicates board oversight responsibility of cybersecurity issues has been designated to a specific committee with members as identified.

NAME	ATTENDED AT LEAST 75% OF MEETINGS	PUBLIC COMPANY EXECUTIVE	ADDITIONAL PUBLIC COMPANY DIRECTORSHIPS
Alan H. Shaw	Yes	Yes	None
Richard H. Anderson	N/A	No	None
Philip S. Davidson	Yes	No	(2) Par Pacific Holdings, Inc.; AeroVironment, Inc.
Francesca DeBiase	Yes	No	(1) Sysco Corporation
Marcela E. Donadio	Yes	No	(3) Marathon Oil Corporation; NOV Inc.; Freeport-McMoRan Inc.
Mary Kathryn Heitkamp	N/A	No	None
John C. Huffard, Jr.	Yes	No	(1) Tenable Holdings, Inc.
Christopher T. Jones	Yes	No	None
Thomas Colm Kelleher	Yes	No	(1) UBS Group AG C
Amy E. Miles	Yes	No	(2) The Gap, Inc.; Amgen Inc.
Claude Mongeau	Yes	No	(2) The Toronto-Dominion Bank; Cenovus Energy Inc.
Jennifer F. Scanlon	Yes	No	None
John R. Thompson	Yes	No	None

C = Chair

MARKET PRACTICE

BOARD	REQUIREMENT	BEST PRACTICE	2022*	2023*	2024*
Independent Chair	No[1]	Yes[5]	Yes	Yes	Yes
Board Independence	Majority[2]	66.7%[5]	86%	92%	92%
Gender Diversity	N/A[4]	N/A[4]	21.4%	23.1%	38.5%
COMMITTEES	**REQUIREMENT**	**BEST PRACTICE**	**2022***	**2023***	**2024***
Audit Committee Independence	100%[3]	100%[5]	100%	100%	100%
Independent Audit Chair	Yes[3]	Yes[5]	Yes	Yes	Yes
Compensation Committee Independence	100%[2]	100%[5]	100%	100%	100%
Independent Compensation Chair	Yes[2]	Yes[5]	Yes	Yes	Yes
Nominating Committee Independence	100%[2]	100%[5]	100%	100%	100%
Independent Nominating Chair	Yes[2]	Yes[5]	Yes	Yes	Yes

** Based on Glass Lewis classification*

1. *NYSE Listed Company Manual*
2. *Independence as defined by NYSE listing rules*
3. *Securities Exchange Act Rule 10A-3 and NYSE listing rules*
4. *No current marketplace listing requirement*
5. *CII*

Glass Lewis believes that boards should: (i) be at least two-thirds independent; (ii) have standing compensation and nomination committees comprised solely of independent directors; and (iii) designate an independent chair, or failing that, a lead independent director.

NOTABLE CORPORATE GOVERNANCE MATTERS

We believe it is important for shareholders to be mindful of the following:

BOARD CHANGES

We note the following board changes, which have occurred (or will occur) between the publication of our last annual meeting Proxy Paper and this year's annual meeting.

DIRECTOR	BOARD ROLE	NOTES
Thomas D. Bell Jr.	Former Independent Director	Not standing for re-election at annual meeting
Mitchell E. Daniels, Jr.	Outgoing Independent Director	Retiring at annual meeting
Steven F. Leer	Former Independent Director	Not standing for re-election at annual meeting
Michael D. Lockhart	Outgoing Independent Director	Retiring at annual meeting
Richard H. Anderson	Independent Director	New nominee
Philip S. Davidson	Independent Director	Appointed July 2023
Francesca DeBiase	Independent Director	Appointed July 2023
Mary Kathryn Heitkamp	Independent Director	New nominee

DIVERSITY POLICIES AND DISCLOSURE

FEATURE	COMPANY DISCLOSURE
Director Race and Ethnicity Disclosure	Aggregate
Diversity Considerations for Director Candidates	Gender and race/ethnicity
"Rooney Rule" or Equivalent	Not disclosed
Director Skills Disclosure (Tabular)	Matrix
***Overall Rating:** Good	
Company-Reported Percentage of Racial/Ethnic Minorities on Board: 23.0%	

*For more information, including detailed explanations of how Glass Lewis assesses these features, please see Glass Lewis' *Approach to Diversity Disclosure Ratings*.

The Company has provided good disclosure of its board diversity policies and considerations. Areas to potentially improve this disclosure are as follows:

Race and Ethnicity Disclosure - The Company has not disclosed the racial/ethnic diversity of directors in a way that is both delineated from other diversity measures and on an individual basis. Glass Lewis believes that shareholders benefit from clear disclosure of racial/ethnic board diversity on an individual basis.

"Rooney Rule" - The Company has not disclosed a policy requiring women and minorities to be included in the initial pool of candidates when selecting new director nominees (aka a "Rooney Rule"). Glass Lewis believes that policies requiring the consideration of minority candidates are an effective way to ensure an appropriate mix of director nominees.

SUMMARY OF CONTESTED BOARD ELECTION

The 2024 annual meeting of Norfolk Southern Corporation ("Norfolk Southern" or the "Company") involves a contested election of directors.

The Company's board, which is soliciting votes on the WHITE universal proxy card, has nominated 13 individuals – Richard H. Anderson; Philip S. Davidson; Francesca A. DeBiase; Marcela E. Donadio; Mary Kathryn "Heidi" Heitkamp; John C. Huffard, Jr.; Christopher T. Jones; Thomas C. Kelleher; Amy E. Miles; Claude Mongeau; Jennifer F. Scanlon; Alan H. Shaw; and John R. Thompson (together, the "Management Nominees") – to serve as directors on the Company's board.

Meanwhile, The Ancora Group Inc. ("Ancora" or the "Dissident"), which is soliciting votes on the BLUE universal proxy card, has nominated seven individuals – Betsy Atkins; James Barber, Jr.; William Clyburn, Jr.; Sameh Fahmy; John Kasich; Gilbert Lamphere and Allison Landry (together, the "Dissident Nominees") – in opposition to Management Nominees Heitkamp, Huffard, Miles, Mongeau, Scanlon, Shaw and Thompson.

Ms. Nelda Connors, who originally had been nominated by Ancora for election to the Company's board, withdrew her candidacy on March 20, 2024, citing time constraints.

VOTE REQUIRED

The Company follows a plurality vote standard for contested director elections. Accordingly, the 13 individuals (among the 20 total nominees) who receive the highest number of votes cast in favor of their election at this meeting will be elected to serve on the Company's board for a one-year term expiring at the Company's 2025 annual meeting.

INFORMATION REGARDING THE DISSIDENT

Ancora is a diversified investment and wealth management firm that offers integrated investment advisory, wealth management, retirement plan services and insurance solutions to individuals and institutions across the United States. It currently has over $8.8 billion in assets under management. Ancora was founded in 2003 and is based in Mayfield Heights, Ohio.

As of the record date of this meeting, Ancora beneficially owns approximately 0.4% of the Company's common stock.

BACKGROUND

On November 14, 2023, Ancora sent an email to the Company requesting the Company's director candidate questionnaire. On November 17, 2023, the Company provided such questionnaire to Ancora.

On November 28, 2023, Ancora sent the Company a director nomination notice indicating Ancora's intention to nominate the seven Dissident Nominees for election to the Company's board at the 2024 annual meeting. The following day, Ancora amended its nomination notice to, among other things, include Ms. Connors as an additional director candidate.

On December 14, 2023, representatives of the Company met virtually with representatives of Ancora to discuss Ancora's views on the Company. During the meeting, Ancora expressed concerns regarding various aspects of the Company, particularly with respect to management's implementation of precision-scheduled railroading ("PSR"). The Company responded by urging Ancora to meet with the Company's management.

On January 4, 2024, the Company's top executives (the CEO, CFO and COO) and representatives of Ancora held a virtual meeting, during which time the two sides discussed the Company's business, strategy and operations. *(Ancora notes that the discussion focused on the Company's recent operational performance and future plans, specifically, the implementation strategy with respect to scheduled railroading. The Company notes that Ancora's questions mainly focused on the Company's operations, but did not touch on the Company's initiatives regarding safety or the Company's response to the East Palestine derailment.)*

On January 21, 2024, three of the Company's directors and certain Ancora representatives held a follow-up meeting, during which time Ancora expressed its belief that significant board and leadership changes were needed at the Company.

On January 26, 2024, the Company disclosed its Q4 and full-year financial results for fiscal 2023.

On January 31, 2024, *The Wall Street Journal* reported that, according to unnamed sources, Ancora had built a roughly $1 billion stake in the Company and had nominated a majority slate of directors for election to the Company's board in an effort to change the Company's CEO.

On February 4 and 5, 2024, Ms. Miles (independent chair of the Company's board) and the members of the Governance and Nominating Committee interviewed each of the Dissident Nominees.

On February 9, 2024, the Company and Ancora held another meeting, during which time the two sides exchanged settlement proposals. The Company proposed the addition of two or three candidates previously identified by the board and indicated a willingness to consider certain of the Dissident Nominees. Ancora expressed that it was interested in filling five board seats and that any settlement framework would have to include a CEO change at the Company.

On February 14, 2024, the Company relayed to Ancora that the board remained open to a resolution involving board refreshment and potential governance opportunities. In response, Ancora indicated that while the Company's original settlement terms were unacceptable, it might be amenable to a resolution if it included a change in the Company's principal operations role.

On February 20, 2024, Ancora filed an investor presentation and issued a press release disclosing its proxy campaign at the Company. Ancora further disclosed its desire to have Dissident Nominee James Barber, Jr. replace Management Nominee Alan Shaw as the Company's CEO and for Mr. Jamie Boychuck, a former executive at CSX Corporation (“CSX”), to be appointed as the Company's new COO as soon as possible. That same day, Mr. James Chadwick (President of Ancora Alternatives LLC) participated in an interview on CNBC to discuss Ancora’s campaign at the Company.

On March 19, 2024, Ms. Miles spoke with Mr. Chadwick to discuss a potential cooperation framework that could involve adding two of the Dissident Nominees to the Company's board. Ms. Miles also indicated to Mr. Chadwick the Company's intention to hire Mr. John Orr as the Company's new COO. In response, Mr. Chadwick reiterated his prior indication that any settlement would need to include a CEO change.

On March 20, 2024, the Company issued a press release announcing the appointment of John Orr as Executive Vice President and COO of the Company.

Also, on March 20, 2024, the Company filed its definitive proxy statements for this meeting.

On March 26, 2024, Ancora filed its definitive proxy statement for this meeting.

DISSIDENT’S ARGUMENT

As detailed in the Dissident’s primary investor presentation, proxy statement and various other filings contained on its dedicated microsite, the Dissident argues that the current board has failed to hold management accountable for sustained operational issues, safety lapses and share price underperformance. The Dissident believes the “resilience railroading” model that continues to be used by the Company's current leadership has proven to be structurally incompatible with PSR, and therefore, there is an urgent need for changes in leadership and strategy.

The Dissident has nominated seven highly qualified and independent director candidates, including Class I railroaders, transportation experts, and policymakers with relevant experience, and experienced directors with strategy planning, safety, finance, governance and change management expertise. The Dissident has also identified candidates to serve as the Company's new CEO (James Barber, Jr., former COO of United Parcel Service, Inc.) and COO (Jamie Boychuk, former EVP of Operations at CSX Corporation). If the Dissident Nominees are elected and the Dissident’s executive candidates are installed at the Company, the reconstituted leadership would take specific steps to implement a PSR model at the Company over the next three years with the aim of achieving various specified targets (e.g., improving the operating ratio, reducing operational excesses, recapturing merchandise share, etc.).

BOARD’S RESPONSE

As detailed in the Company's primary investor presentation, proxy statement and various other filings contained on its dedicated microsite, the board contends the Company is executing on a better strategy with greater long-term upside for shareholders compared to the strategy proposed by the Dissident. Since the board appointed Alan Shaw as CEO in 2022, the Company has been implementing PSR in a more balanced way, with safety at is core, and this strategy had been working through 2022. Following the East Palestine derailment in 2023, the Company acted decisively to overhaul safety standards, and the Company continues to improve service levels. The board believes the Company is on a clear and achievable path to close the gap with its peers by achieving an operating ratio of under 60% within the next three to four years. In contrast, the Dissident’s PSR implementation strategy would require significant job cuts, which in turn would reverse the progress made on service and safety and impede growth.

In the last five years, the Company has added six new directors, including two in 2023, with a mix of relevant skills to continue the board's effective and independent oversight. Further, in 2022, the Company split the roles of its chair and CEO. Under the leadership of independent chair Amy Miles, the board maintains it has enhanced aspects of the Company's safety, operations, cybersecurity and enterprise risk management, as well as refined the Company's executive pay practices. In comparison, the Dissident is seeking to replace a majority of the board with director nominees bereft of the expertise the Company's transition requires. The board believes the Dissident's proposed strategy, which includes a wholesale leadership change, is wholly unsuited for the Company's regulatory, labor and competitive environments.

GLASS LEWIS RECOMMENDATION

OVERVIEW / BACKGROUND

At a glance, shareholder activism in the North American Class I railroad industry seemingly occurs once in a blue moon, perhaps understandably so given the highly consolidated nature of the industry. Still, the few campaigns that have been conducted by activist investors in prior years have generally drawn significant attention within the railroad industry and the broader investment community. In 2012, Pershing Square waged a successful campaign at Canadian Pacific that resulted in a significant board refreshment and the appointment of a new CEO, E. Hunter Harrison, who is widely regarded as the pioneer of the PSR concept that most of the Class I railroad industry now utilizes to varying degrees. After spearheading the complete implementation of PSR at Canadian Pacific, Mr. Harrison left the firm in early 2017 to participate in another activist campaign, this time, one waged by Mantle Ridge at CSX Corporation ("CSX"). Mantle Ridge's campaign culminated with a settlement agreement in March 2017 that resulted in the appointment of Mr. Harrison as the new CEO of CSX.

Ancora believes both of the aforementioned examples serve as blueprints for significant value creation at the Company – that is, a successful activist campaign that results in meaningful leadership change and the implementation of a PSR operating model will deliver significant financial outperformance for the benefit of shareholders. On the other side, the Company's board contends that a more nuanced strategy – one that blends resiliency with PSR – is necessary to navigate the current landscape and drive long-term shareholder value in a responsible manner, particularly in the aftermath of the East Palestine derailment on February 3, 2023.

In our evaluation of proxy contests, we consider whether a dissident shareholder has made a compelling case for change at a company, or whether the incumbent board has demonstrated that it is appropriately qualified, informed and independent to oversee the company. Glass Lewis is reluctant to recommend shareholder support for the election of dissident nominees or the removal of incumbent directors unless the dissident has:

- Made a compelling case that the company has underperformed as a result of poor board oversight, ineffective strategy, mismanagement, or other serious governance concerns; and

- Nominated qualified and unconflicted director candidates who are more apt than the incumbent directors to address deficiencies and oversee a strategy or plan that is likely to result in a superior outcome for shareholders.

In proxy contests for control of the board, as is the case here, we believe the dissident needs to provide a detailed operating plan or an alternative strategy for improving the company's performance and enhancing shareholder returns. If we determine that change is warranted, we consider which dissident nominees, if any, are additive to the board and capable of addressing identified issues, as well as how many new directors are required to effect the appropriate level of change, taking into account the needs and circumstances of the company and the resulting board composition.

While our framework puts the burden of proof on the dissident to establish a case for change, we believe the incumbent board should make compelling counterarguments to refute the dissident's claims and present convincing evidence to support the company's strategy, performance and governance. In determining whether to support a dissident campaign, in addition to analyzing the merits of the issues raised by the dissident, we may also take into consideration, among other factors, the shareholder's history with a company, industry or market, from both an investing and activism standpoint, in order to better gauge its perspective and track record.

TOTAL SHAREHOLDER RETURNS

We generally believe that dividend-adjusted share price return, or total shareholder return ("TSR"), serves as a reasonable summary indicator of a company's historical performance, prospects and stated strategy, with due reference to the influence of various extrinsic factors beyond the control of management or the board. In order to establish a proper context, we believe any TSR analysis should be conducted on a relative basis compared against appropriate peer groups and/or market benchmarks across a range of relevant measurement periods.

The selection of appropriate peers here is a decidedly straightforward exercise, in our view, as there are only four other publicly-traded North American Class I railroad firms – Canadian National Railway Company ("CN"); Canadian Pacific

Kansas City Limited ("CPKC"); CSX Corporation ("CSX"); and Union Pacific Corporation ("Union Pacific"). Among that already small group, we believe CSX represents the closest peer to the Company given that both firms have a largely similar geographic footprint (primarily spanning the eastern region of the United States), track miles and freight mix.

In terms of the timeframes for our analysis, we first evaluated the Company's relative TSR performance for various periods through January 31, 2024, the last completed trading day before media rumors first emerged indicating that Ancora was preparing to nominate a majority slate to the Company's board:

Total Shareholder Returns *(up until before Ancora activism rumors)*

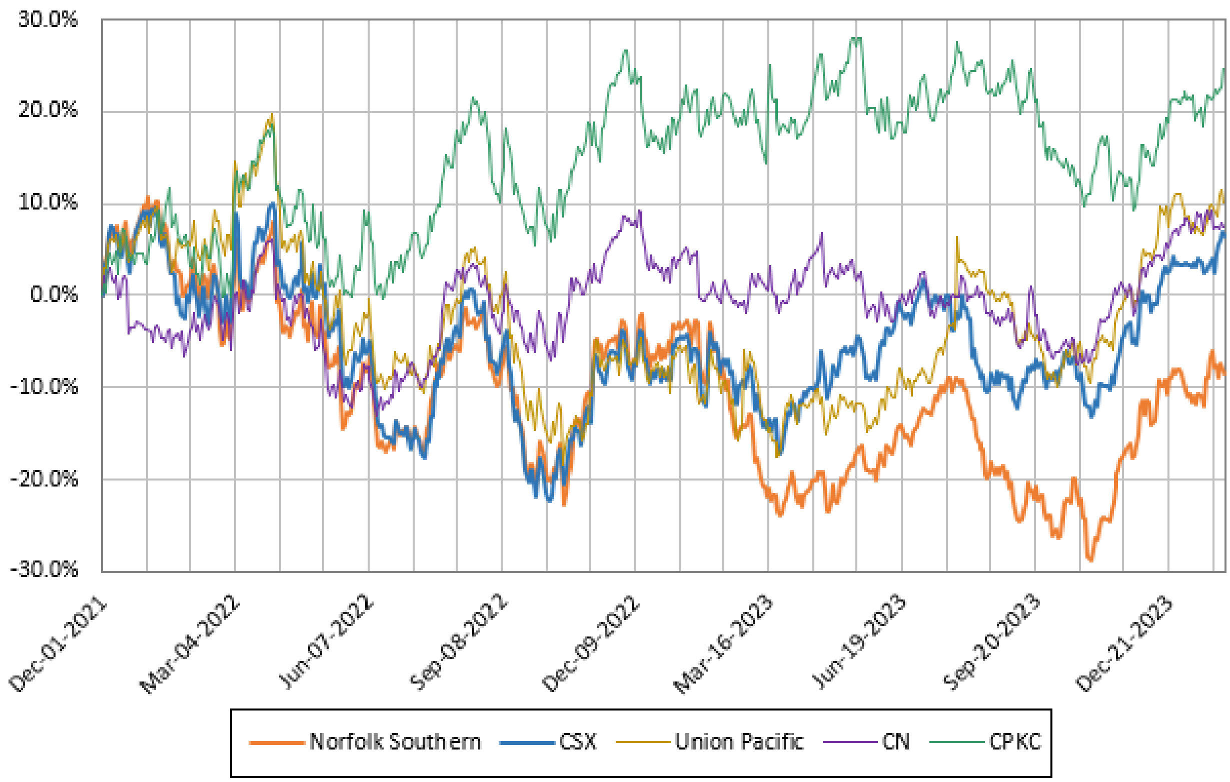
(Periods ended Jan. 31, 2024)	1-Yr.	3-Yr.	5-Yr.	From Dec. 1, 2021 [1]	From Jun. 24, 2022 [2]
Norfolk Southern	**-1.9%**	**5.6%**	**54.8%**	**-8.6%**	**5.8%**
CSX	17.1%	29.7%	73.9%	6.4%	23.2%
Union Pacific	22.5%	32.0%	71.1%	10.2%	17.3%
CPKC	3.8%	28.9%	109.9%	24.8%	20.3%
CN	7.5%	36.1%	66.7%	7.5%	17.0%
Norfolk Southern Rank (out of 5)	*5*	*5*	*5*	*5*	*5*

Source: S&P Capital IQ

(1) The last completed trading day before the Company announced Mr. Shaw's immediate appointment as President and eventual transition to CEO of the Company.

(2) The last trading day before the Company announced the launch of its TOP|SPG operating plan.

The following chart illustrates the Company's relative TSR performance for the period between December 1, 2021 and January 31, 2024:



We see that the TSR of the Company was worse than that of all of its peers for each of the selected timeframes, a finding that, at a glance, would certainly support Ancora's stance here.

However, the board contends the Company's TSR underperformance largely stems from the general fear among investors regarding the potential costs and liabilities that may have to be incurred by the Company in connection with the East Palestine derailment. Looking at the chart above, we see that the Company's TSR began to meaningfully trail its peers in the weeks and months following the East Palestine derailment.

To further assess the merits of the board's claim, we reviewed the Company's relative TSR performance for various periods through February 3, 2023, the last completed trading day before the East Palestine derailment occurred later that night:

Total Shareholder Returns *(up until before the East Palestine derailment)*

(Periods ended Feb. 3, 2023)	1-Yr.	3-Yr.	5-Yr.	From Dec. 1, 2021 (1)	From Jun. 24, 2022 (2)
Norfolk Southern	**-6.7%**	**29.3%**	**91.0%**	**-3.9%**	**11.2%**
CSX	-5.6%	30.3%	86.8%	-5.1%	9.8%
Union Pacific	-12.0%	24.2%	80.7%	-7.3%	-1.4%
CPKC	18.6%	54.3%	149.5%	21.4%	17.0%
CN	5.5%	37.3%	80.0%	1.5%	10.5%
Peer Average	1.6%	36.5%	99.2%	2.6%	9.0%
Peer Median	*0.0%*	*33.8%*	*83.7%*	*-1.8%*	*10.1%*
Norfolk Southern Rank (out of 5)	*4*	*4*	*2*	*3*	*2*

Source: S&P Capital IQ

(1) Day before announcement of CEO transition to Mr. Shaw.

(2) Day before the announcement of the TOP|SPG plan.

We see that over the selected periods through February 3, 2023, the TSR performance of the Company was largely consistent with that of CSX, on balance. We further observe that the Company slightly underperformed the average and median of the peer group over the one- and three-year periods, but performed better than three of the four railroad peers over the five-year period.

For additional context, we compared the TSR performance of the Company to its peers over each of the last seven calendar years:

Total Shareholder Returns (calendar years)

	CY2017	CY2018	CY2019	CY2020	CY2021	CY2022	CY2023
Norfolk Southern	**36.9%**	**5.2%**	**32.4%**	**24.8%**	**27.3%**	**-15.6%**	**-1.6%**
Peer Group							
CSX	55.5%	14.5%	18.1%	27.1%	25.7%	-16.6%	13.5%
Union Pacific	32.3%	5.3%	33.7%	17.6%	23.3%	-15.9%	21.6%
CPKC	21.1%	6.6%	38.1%	34.7%	3.9%	11.8%	4.6%
CN	16.6%	-0.8%	18.3%	21.3%	12.9%	5.5%	5.7%
Peer Average	31.4%	6.4%	27.0%	25.2%	16.4%	-3.8%	11.4%
Peer Median	*26.7%*	*5.9%*	*26.0%*	*24.2%*	*18.1%*	*-5.2%*	*9.6%*
Norfolk Southern Rank (out of 5)	*2*	*4*	*3*	*3*	*1*	*3*	*5*

Source: S&P Capital IQ

The TSR performance of the Company relative to CSX has fluctuated to some extent over the years, underperforming in calendar years 2017 and 2018, outperforming in 2019, then performing largely on par in the subsequent three years before underperforming in 2023. Viewed against the entire peer group, we see that the Company's TSR performance had mostly been consistent with the peer group up through 2022 but lagged the peer group in 2023.

The foregoing findings suggest to us that much of the Company's current TSR underperformance might indeed be attributed in part to the East Palestine derailment. If that is the case, then shareholders may be in a position of having to decide the extent to which the current board and management team bear culpability for that accident. Additionally, we believe shareholders should give due consideration to whether the Company's recent TSR underperformance may be indicative a loss of investor confidence in the Company's current leadership team and strategy.

OPERATIONAL PERFORMANCE

One of the primary financial metrics that investors have historically focused on when evaluating the operational performance of freight railroad firms has been the operating ratio, which represents a firm's operating expenses as a percentage of that firm's operating revenue; a lower ratio is generally better, as it indicates greater operational efficiency.

Here, Ancora argues that the operating ratio of the Company has deteriorated since Mr. Shaw was introduced as the Company's CEO, with the differential now at its most pronounced level relative to CSX and all of the Class I railroad peers. On the other side, the board contends that the Company's operating ratio (on an adjusted basis) was trending in the right direction up through 2022, and that the deterioration in the ratio during the past year was due to the adverse impacts related to the East Palestine derailment.

For the purposes of our assessment, we compared the annual operating ratio of the Company to those of its Class I peers over each of the past seven fiscal years:

Operating Ratio

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Norfolk Southern	**66.0%**	**65.4%**	**64.7%**	**64.4%**	**60.1%**	**62.3%**	**67.4%**
CSX	67.9%	60.3%	58.4%	58.8%	55.3%	59.5%	62.1%
Union Pacific	61.8%	62.7%	60.6%	58.5%	57.2%	60.1%	62.3%
CPKC	58.2%	61.3%	59.9%	57.1%	57.6%	61.4%	65.0%
CN	59.8%	61.6%	62.5%	65.4%	61.2%	60.0%	60.8%
Peer Average	61.9%	61.5%	60.4%	59.9%	57.8%	60.3%	62.6%
Peer Median	60.8%	61.5%	60.3%	58.6%	57.4%	60.1%	62.2%
Norfolk Southern Rank (out of 5)	*4*	*5*	*5*	*4*	*4*	*5*	*5*

Source: Company filings (original, as-reported basis)

Note: Certain of the ratios reflect reported adjustments that exclude certain one-time items.

We observe that the operating ratio of the Company has lagged that of CSX for each year since FY2018, a notable period given that CSX had hired Hunter Harrison and started implementing PSR in 2017. While the gap between the Company and CSX narrowed from around 629 basis points in FY2019 to 280 basis points in FY2022, that gap widened to around 530 basis points in FY2023. For Q1 FY2024, the Company recorded an adjusted operating ratio of 69.9%, which is around 670 basis points worse than the Q1 FY2024 operating ratio of CSX. Even if shareholders give the Company's leadership credit for the favorable trend coming out of FY2022 and the benefit of the doubt for FY2023, we believe shareholders cannot overlook the fact that the operating ratio of the Company has ranked last or second-to-last compared to its peers for at least each of the past seven fiscal years.

In recent periods, the Company has sought to guide investors away from focusing solely on operating ratio, but also on other financial metrics. At the Company's 2022 Investor Day held on December 6, 2022, Mr. Shaw stated the following:

> *"Reducing OR (operating ratio) is not our singular focus. We strive for more, and we've got the franchise and the people and the strategy to deliver it. Our pursuit of margin improvement is balanced with other financial measures, which are important to our shareholders. And that includes earnings, that includes ROIC (return on invested capital) and that includes revenue."*

At a high level, we certainly understand that evaluating a firm's performance based solely on a single metric may be far too myopic of an exercise. Rather, a fair and informed evaluation should take into consideration a host of relevant metrics. To that end, we compared the performance of the Company to that of CSX based on various operating metrics that we believe are generally relevant to investors:

Comparison of Financial Metrics *(Norfolk Southern vs. CSX)*

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Revenue per Unit							
Norfolk Southern	$1,386	$1,445	$1,495	$1,465	$1,584	$1,865	$1,802
CSX	$1,783	$1,890	$1,919	$1,796	$2,003	$2,389	$2,386
Abs. Difference of Norfolk Southern vs. CSX	*($397)*	*($445)*	*($424)*	*($331)*	*($419)*	*($524)*	*($584)*
Annual Total Revenue Growth							
Norfolk Southern	6.7%	8.6%	-1.4%	-13.3%	13.8%	14.4%	-4.6%
CSX	3.1%	7.4%	-2.6%	-11.3%	18.3%	18.6%	-1.3%
Abs. Difference of Norfolk Southern vs. CSX	*3.6%*	*1.2%*	*1.1%*	*-2.0%*	*-4.5%*	*-4.2%*	*-3.3%*
Return on Invested Capital							
Norfolk Southern	11.5%	11.9%	11.6%	9.7%	12.6%	13.6%	10.8%
CSX	12.1%	14.2%	13.9%	11.8%	13.6%	15.1%	14.0%
Abs. Difference of Norfolk Southern vs. CSX	*-0.6%*	*-2.3%*	*-2.3%*	*-2.1%*	*-1.0%*	*-1.5%*	*-3.2%*
Return on Equity							
Norfolk Southern	37.6%	16.8%	17.8%	13.4%	21.1%	24.8%	14.3%
CSX	41.4%	24.2%	27.3%	22.1%	28.4%	31.9%	30.0%
Abs. Difference of Norfolk Southern vs. CSX	*-3.9%*	*-7.4%*	*-9.4%*	*-8.7%*	*-7.3%*	*-7.1%*	*-15.7%*

Sources: S&P Capital IQ and company filings (originally-reported basis)

Note: Revenue per Unit represents the average revenue recorded for each unit of freight/cargo.

We find that the Company has consistently underperformed CSX in terms of revenue per unit, revenue growth, ROIC and ROE in recent years. Further, we do not see any compelling evidence to suggest that the Company had meaningfully closed this performance gap even through FY2022, much less through FY2023.

We also compared the ROIC and ROE of the Company to those of the Class I peer group and found that the Company's profitability ratios have consistently ranked last or second-to-last over each of the years we reviewed *(excluding the ratios of CPKC for FY2021 to FY2023 due to the Canadian Pacific / Kansas City Southern merger in 2021 and the resulting accounting impact)*.

We note the Company and CSX both share a similar freight mix, consisting of merchandise, intermodal and coal, with merchandise clearly representing the largest segment for each firm. We also note the Company has a stronger position than CSX in intermodal, while CSX has a stronger position than the Company in coal. Looking closer, we found that for each of the past five fiscal years, merchandise volume at Norfolk Southern has lagged that of CSX, by an average differential of over 338,000 units. Further, the year-over-year growth in total merchandise volume of Norfolk Southern has trailed that of CSX for four of the past five fiscal years. Considering our findings, we are inclined to agree with Ancora's argument that management's shift from merchandise to intermodal may have adversely impacted the Company's profitability, and that recapturing merchandise volume should be a priority for the Company.

We also believe Ancora has highlighted valid operational shortcomings with respect to various other industry-specific metrics. Notably, Ancora points out that between 2019 and 2023, the terminal dwell (i.e., the average amount of time in hours a railcar spends in a terminal between destinations) of the Company expanded by around 34%, compared to just a 5% increase at CSX. Our review of the annual figures yielded slightly different results – a 33% increase in dwell time at the Company, compared to a 9% increase at CSX – though the overall takeaway was still consistent with Ancora's case. Ancora further notes that rail volume at the Company over the past four years has fallen by 11%, compared to just a 1% decline at CSX. The implication here is seemingly that the Company suffers from operational inefficiencies that may be contributing to a loss of business to others, including CSX.

The board attempts to counter Ancora's arguments by highlighting that terminal dwell has improved by 11% during the time of Mr. Shaw's leadership (from around Q2 of 2022 to today). However, we find that CSX improved its terminal dwell by around 18% over roughly that same period.

The board argues that the reduced capacity resulting from the East Palestine derailment created congestion and freight backlogs that heightened dwell times. On the one hand, we certainly understand the mitigating circumstances to the Company's operations that were posed by that derailment. Still, if we look at the Company's performance with respect to terminal dwell through FY2022, prior to the East Palestine derailment, we see that the trend was worsening for the Company on both an absolute and relative basis. Specifically, between FY2019 and FY2022, the terminal dwell at the Company had expanded by 37%, from 19.2 hours to 26.3 hours. In comparison, the terminal dwell at CSX over the same period increased by 31%, from 8.6 hours to 11.3 hours. Further, we find that for each fiscal year since at least 2017, the terminal dwell at the Company has been at least twice as high as that of CSX.

Based on the standard and industry-specific metrics we reviewed, along with various other industry metrics that are discussed in Ancora's investor presentation (e.g., the Company having a higher rate of railcar switching, a higher number of weekly train delays and a higher number of weekly unplanned recrews, in each case, relative to CSX), we believe the Company has clearly been a consistent laggard to its closest peer.

THE EAST PALESTINE DERAILMENT / RAILROAD SAFETY

A closer examination of the 2023 derailment of a Norfolk Southern train, and of the subsequent fallout, illustrates the kind of risk that an inattention to railway safety issues can pose to companies in this industry. As shareholders no doubt recall, on February 3, 2023, a Norfolk Southern train carrying hazardous chemicals derailed in East Palestine, Ohio, resulting in a fire that damaged dozens of the train's cars. Authorities, concerned about the possibility of an explosion and the potential effects of the hazardous fumes, ordered roughly 2,000 East Palestine residents to evacuate the area. Three days later, the evacuation area was expanded to a one-mile-by-three-mile area, stretching across the border between Ohio and Pennsylvania, while Norfolk Southern began a controlled release and burn of the train's contents. According to a letter sent to Norfolk by the U.S. Environmental Protection Agency (the "EPA"), the train was carrying a variety of hazardous materials that were released into the air, surface soil, and surface waters, including vinyl chloride: a flammable, carcinogenic gas that can cause damage to the central nervous system and liver (Christine Hauser. "How the Ohio Train Derailment and Its Aftermath Unfolded." *The New York Times*. March 31, 2023).

Public health experts and environmental experts noted that the disaster could have long-lasting effects on the area, as particles from the controlled burn could still seep into the soil, drinking water sources, and residences, and interact with other chemical compounds from the burn and in the environment. Such potential effects were apparent within the first week following the spill, as residents of East Palestine began reporting sick or dead animals, while contamination along seven and a half miles of stream in Ohio killed an estimated 3,500 fish (Raymond Zhong, Catrin Einhorn. "Health and Environmental Fears Remain After Ohio Derailment and Inferno." *The New York Times*. February 14, 2023).

Ohio Governor Mike DeWine announced on February 8, 2023 that residents of East Palestine could return safely to their homes. The governor further stated that air quality samples in the area of the wreckage and in nearby residential neighborhoods consistently showed readings at points below safety screening levels for contaminants of concern, but that there would be ongoing air monitoring in the area, along with in-home air quality readings and free testing of water from private well conducted by an independent contractor hired by the Company.

Criticism of Norfolk Southern's Response and Cleanup Efforts

In a February 14, 2023 letter addressed to Norfolk Southern's President and CEO Alan Shaw, Pennsylvania Governor Josh Shapiro criticized the railroad's handling of the derailment, stating that it had failed to immediately contact the state's Emergency Management Agency and Department of Environmental Protection. Governor Shapiro also claimed that the Company gave inaccurate and conflicting information about its controlled release and that its unwillingness to explore or articulate alternate courses of action limited state and local leaders' ability to respond effectively.

The National Transportation Safety Board (the "NTSB") conducted a safety investigation to determine the probable cause of the derailment and issue any safety recommendations to prevent future derailments. The NTSB stated in a preliminary report that it had found surveillance video from a local residence showing what appeared to be a wheel bearing in the final stage of an overheat failure in the moments before the derailment. In a statement following this accident, Jennifer Homendy, chair of the NTSB, noted that this accident was "100% preventable."

In a March 21, 2023 update, the NTSB also reported that the valve stems of some examined pressure relief devices removed from the five vinyl chloride tank cars were seized in the top guide bushings, in one case preventing the device from operating, even above its rated pressure. Meanwhile, four U.S. senators representing Ohio and Pennsylvania wrote to the EPA asking for additional information on the derailment and the Company's accountability for remediation.

In late February 2023, the EPA took over the derailment cleanup, requiring the Company to remediate the affected area under a plan approved by the agency, rather than the voluntary cleanup the Company had previously pledged. The EPA's order required the Company to: (i) identify and clean up contaminated soil and water resources; (ii) reimburse the EPA for cleaning services to be offered to residents and businesses to provide an additional layer of reassurance; (iii) attend and participate in public meetings at the EPA's request and post information online; and (iv) pay for the EPA's costs for work performed under its order (Nick Keppler, Justine McDaniel, Timothy Puko. " EPA to Take Control of Ohio Derailment

Response." *The Washington Post*. February 21, 2023).

In January 2024, the Company published a 12-Month Progress Report on East Palestine, Ohio and Surrounding Communities; the report is available on a microsite that includes additional information regarding the Company's ongoing remediation efforts in the affected communities. The Company states it completed major excavation and soil removal activities in late 2023, and removed over 51 million gallons of wastewater and 176,000 tons of waste soil from the derailment site. The Company has also committed $4.3 million to overhaul East Palestine's municipal drinking water system and winterize the wastewater treatment system. Further, the Company has committed to maintaining efforts around air monitoring, water well testing, soil sampling, and creek sheen and sediment assessments.

Congressional Hearings, Federal Safety Investigations, and Lawsuits

On March 9, 2023, Mr. Shaw testified before the U.S. Senate Committee on Environment & Public Works, at which he provided details on the Company's environmental remediation efforts and the Company's focus on safety. During that hearing, certain senators questioned Mr. Shaw on the Company's history of lobbying against stricter safety regulations (Zack Budryk. "Democratic Senators Grill Norfolk Southern CEO on Deregulatory Lobbying." *The Hill*. March 9, 2023).

On March 14, 2023, Ohio Attorney General Dave Yost announced he had filed a civil lawsuit in federal court seeking to hold the Company responsible for the East Palestine derailment. The AG's lawsuit alleges the Company violated various federal and state environmental laws and Ohio Common Law and seeks financial penalties and damages. More recently, on February 2, 2024, Mr. Yost commented that he would not agree to a settlement "without a detailed understanding of what happened, who is responsible, and how we avoid other communities like East Palestine from being victims to this type of incident."

On March 22, 2023, Mr. Shaw testified before the Senate Committee on Commerce, Science, and Transportation, providing details on the Company's support for policies furthering safety in the rail industry and commitments to addressing the long-term concerns of East Palestine citizens.

On March 31, 2023, the U.S. Department of Justice (the "DOJ") filed a lawsuit against the Company seeking penalties and injunctive relief for the alleged unlawful discharge of pollutants, oil and hazardous substances under the Clean Water Act, and declaratory judgment on liability for past and future costs under the Comprehensive Environmental Response, Compensation, and Liability Act. The DOJ lawsuit alleged that the railroad created incentives for executives to cut safety and maintenance spending in favor of increasing returns. It also cited Norfolk Southern's annual reports, showing that as much as 80% of executives' pay was tied to performance. The DOJ lawsuit and the Ohio AG lawsuit have been consolidated for discovery purposes.

In addition, the Federal Railroad Administration (the "FRA") and the NTSB launched an investigation into Norfolk Southern's safety record, citing at least six serious incidents, including three with worker fatalities, since December 2021. Ohio's senators also introduced bipartisan legislation to increase safety standards for railroads. However, Mr. Shaw refused to endorse the proposed changes in the Senate hearings (Steven Mufson. "DOJ Sues Norfolk Southern Over Toxic Train Derailment in Ohio." *The Washington Post*. March 31, 2023).

On June 22 and June 23, 2023, the NTSB held a two-day investigative hearing on the East Palestine derailment as part of a fact-finding process. In connection therewith, the NTSB released an extensive docket of documents relating to the derailment. The hearing included testimony from a member of the Brotherhood of Railroad Carmen who indicated that the Company had been relying more heavily on train crews, rather than union specialists, to carry out inspections, and that the faulty bearing that caused the derailment might have been caught sooner had an inspection occurred at the relevant transfer point in Madison, Illinois. Additionally, prior to the derailment, the FRA had written to Norfolk Southern to express its concerns about changes in how railroads were carrying out inspections. The FRA further claimed to have evidence that railroads were not properly checking trains into terminals, keeping them instead on "ghost tracks" to avoid having them inspected by dedicated carmen (Luz Lazo, Ian Duncan. "Unions, Regulators Warned of Pared-Back Railroad Safety Inspections." *The Washington Post*. June 23, 2023).

On February 7, 2024, the NTSB announced that its final board meeting regarding the East Palestine derailment would be held on June 25, 2024, and that the NTSB board would vote on the final findings, probable cause and recommendations.

Following the East Palestine derailment, multiple residents of East Palestine, Ohio filed lawsuits against the Company alleging claims of negligence and other violations that resulted in the train derailment and toxic spill. These lawsuits were later consolidated into a class action suit. On April 9, 2024, the Company announced it had reached an agreement in principle to pay $600 million to settle the class action lawsuit. If approved by the relevant court (the U.S. District Court for the Northern District of Ohio), the settlement would resolve all class action claims within a 20-mile radius from the derailment and, for those residents who choose to participate, personal injury claims within a 10-mile radius from the derailment. The Company states the settlement does not include nor constitute any admission of liability, wrongdoing or fault on its part. Assuming the settlement receives final court approval in a timely manner, the Company estimates that settlement payments could begin by the end of this year, with the specific allocations and payments to affected individuals, households and businesses to be determined by court-appointed class counsel.

Financial Impact of the East Palestine Derailment

The East Palestine derailment has undoubtedly had a substantial adverse financial impact on the Company. In terms of the direct costs, the Company states in its most recent annual report that it recorded nearly $1.12 billion in expenses during FY2023 that were directly attributable to the East Palestine derailment. Specifically, the Company recognized $652 million in cash expenditures directly attributable to the accident, net of insurance proceeds, as well as $464 million in additional estimated liabilities associated with environmental matters and legal proceedings. On April 24, 2024, the Company announced its Q1 FY2024 financial results and disclosed that it had recognized $592 million of net expenses in the quarter related to the derailment. That said, the Company has stated its belief that the recent class action settlement addresses the most significant remaining legal exposure for shareholders. The implication here is presumably that the Company will incur significantly lower one-off costs related to the derailment going forward.

We note the Company has also suffered a loss of revenue in the aftermath of the derailment, as related service disruptions led to some of the Company's business having to be diverted to competing trucks or railroads. In the Company's Q2 FY2023 earnings call on July 27, 2023, the Company estimated that the loss of revenue from such service disruptions amounted to between $175 million and $200 million that quarter. While the cost component of the derailment is largely expected to be one-time in nature, it still remains to be seen whether the revenue loss is transitory and the Company can recoup its lost business, or whether the Company suffered longer-term reputational harm following the derailment.

Company Political Activity

Between 2015 and 2022, the Association of American Railroads ("AAR"), the trade organization representing large train companies, spent more than $39.4 million lobbying the federal government. The AAR and its dues-paying members, which include the Company, CSX, and Union Pacific, have reportedly contributed millions of dollars for political contributions. As part of a year-long campaign to win favor among federal regulators and policymakers and push back against calls for tougher regulation, the Company and other rail firms spent millions on marketing and lobbying. According to reports, the successful marketing and lobbying campaign came under scrutiny, however, following the East Palestine, Ohio derailment in February 2023 (Adam Lowenstein. "' Crafting An Illusion': US Rail Firms' Multimillion-Dollar PR Push." *The Guardian*. February 27, 2023).

With regard to its own political spending, the Company has contributed approximately $98,000 to Ohio state campaigns since 2018. In addition to directly supporting political candidates, the Company has spent money on lobbyists to influence the course of legislation. For example, the Company's lobbyists have reportedly lobbied against legislation imposing minimum staffing requirements or penalties for blocked crossings. Given the Company's political relationships, some concerns were raised about whether it would be insulated from significant fines and regulations following the East Palestine derailment (Nick Evans. "Will Norfolk Southern's Political Spending Help Shield it From Consequences." *Ohio Capital Journal*. March 2, 2023).

Further, it was reported that, following the derailment in Ohio, the Company increased its lobbying expenses and campaign contributions, while, simultaneously, Congress was considering bipartisan legislation that would require two-person crews for trains transporting toxic chemicals, new detection equipment, and increased inspections and maintenance. According to the Company, it supported legislative efforts to improve the safety of the freight rail industry in 2023 and into February 2024 (Jonathan D. Salant. "Norfolk Southern Boosted Lobbying, Political Giving After East Palestine Derailment ." *Pittsburgh Post-Gazette*. February 13, 2024). It should be noted, however, during testimony before the U.S. Senate's Environment and Public Works Committee in March 2023, the Company's CEO stated that the regulations the Company lobbied against would not have prevented the East Palestine derailment (Jamie Ostroff. "Norfolk Southern Doles Out Millions of Dollars in Lobbying Efforts." *NBC4 WCMH*. March 10, 2023).

Workplace Culture and Safety

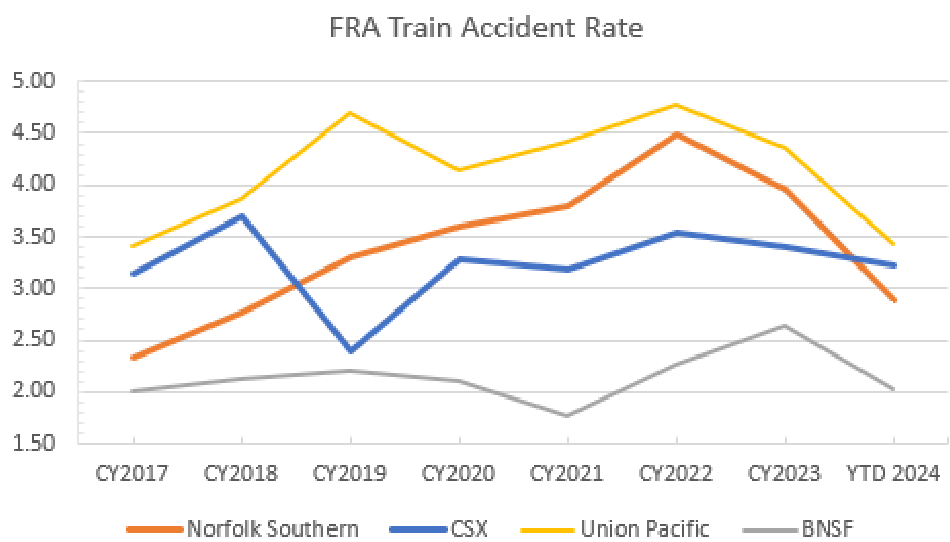
In addition to the environmental response to the East Palestine derailment and the ongoing remediation efforts, the Company has taken steps to address recent workplace safety concerns. On March 6, 2023, the Company announced a six-point plan to immediately enhance safety based on the NTSB's preliminary findings relating to the derailment.

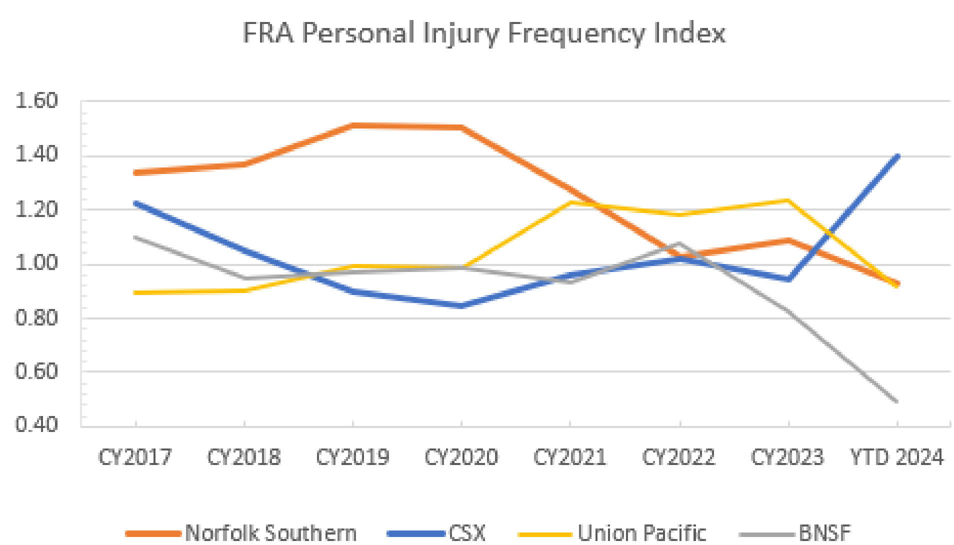
In May 2023, the Company announced its appointment of Atkins Nuclear Secured ("ANS"), a member of the SNC-Lavalin Group, to conduct an independent review of the Company's safety culture. In September 2023, the Company disclosed a letter sent by Mr. Shaw to Norfolk Southern employees that included an executive summary of ANS's initial report and a discussion regarding ANS's initial findings. The ANS report detailed a total of 18 different recommendations for improving the Company's safety procedures, with 11 of those recommendations deemed as "more significant" areas for improvement (e.g., resolving staffing shortages and enhancing aspects of the hiring process, shifting the approach that supervisors/managers take on accountability from one of disciplining/punishing to one of teaching/coaching, improving training and leadership development, improve facility and equipment material conditions, etc.).

In August 2023, the FRA published a 143-page report discussing its assessment of the Company's safety culture. The executive summary of the FRA report highlighted four particular findings: (i) the Company's communications were not always open and effective, exacerbating hurdles to achieving safety culture goals; (ii) the Company has not always worked to foster mutual trust with its employees; (iii) the Company's training and resources were not always effective at supporting safety efforts; and (iv) the Company frequently focused solely on enforcing compliance with minimum safety standards.

In our view, the findings from the ANS report and the FRA report suggest clear shortcomings in the Company's workplace safety culture. That being said, we recognize the Company has committed to making necessary improvements and notes It has made substantial progress to date on its safety plan, including, among other things, installing 113 new hot bearing detectors at 82 sites, opening a new regional safety training center in Ohio in September 2023 for first responders, and enhancing training and communication with the Company’s craft employees.

In terms of quantifiable safety metrics, we reviewed the relevant data available on the FRA’s website (as of April 22, 2024) and have summarized certain of our findings in the charts below:





On balance, we see that in recent years, the Company's safety metrics have been trending in a favorable direction on both an absolute and relative basis.

Shareholders should note, however, that railroad safety statistics only present a partial picture of rail safety, and one that, at times, can be misleading. Because although rail companies are responsible for reporting safety incidents and are trusted by the government to solve underlying safety problems on their own, rail workers have reported that they are often discouraged from or even retaliated against for reporting concerns. According to a November 2023 *ProPublica* investigation, the performance-pay systems used by rail companies effectively penalized supervisors for delaying shipments in order to fix hazards and has pressured them to punish workers for reporting issues. The investigation also identified 111 court cases in which workers alleged that they had been disciplined or fired after reporting safety concerns, with nearly 60% ending in settlements. Further, OSHA and Department of Labor administrative judges found that since 2018, railroad companies had violated whistleblower laws in 13 cases in which workers voiced safety concerns. In some cases, workers claimed that they had been targeted after making safety reports they thought were anonymous or that they were ordered to stop calling safety hotlines, while others simply stopped raising concerns after hazards continued to go unaddressed (Topher Sanders, et al. "" Do Your Job." How the Railroad Industry Intimidates Employees Into Putting Speed Before Safety." *ProPublica*. November 15, 2023). Several railway companies wrote statements in response to the *ProPublica* report, including the Company, CSX, Union Pacific and BNSF.

REVIEW OF ANCORA'S PLAN

Ancora believes its proposed plan for the Company – a plan that is focused on implementing PSR principles – is a tried-and-tested approach, as evidenced by prior successful initiatives led by E. Hunter Harrison at Canadian Pacific (starting in 2012) and CSX (starting in 2017). Ancora contends that a true implementation of PSR requires a focus on rationalizing assets based on market conditions, as well as committing to a total network redesign, something that Ancora claims the Company has not publicly committed to doing under the Company's current strategy.

In our view, Ancora has publicly laid out a fairly detailed, three-year plan to implement PSR at the Company, outlining specific initiatives and intended outputs/goals. Under Ancora's plan, the first 12 months would entail extensive stakeholder outreach, a review of vendor contracts, and a network redesign incorporating PSR principles, with subsequent adjustments to optimize the placement of assets and people. Ancora estimates the Company could achieve around $800 million of savings by:

- Removing 450 locomotives (projected savings of $165 million);
- Taking 35,000 freight cars offline ($250 million);
- Reducing fuel per gross ton mile to 0.95 gallons ($200 million); and
- Realizing efficiency gains from the network redesign ($185 million).

Assuming the successful execution of these initiatives, Ancora believes the Company could bring its operating ratio down over the next 12 months to around 62% to 63%, a projected range that falls in line with the current peer average (62.6%).

In Year 2, Ancora would have the Company focus on various safety improvements, prioritize best-in-class service, implement activity-based costing and fix the merchandise network, which Ancora believes could lower the Company's operating ratio by another two to three percentage points (to 60%). By the third year, the Company would focus on driving organic growth, evaluating technology applications across the Company's network, and evaluating various opportunities to enhance employee satisfaction, with the aim of bringing down the Company's operating ratio by another three percentage points (to 57%).

The Company is critical of Ancora's plan for relying on unrealistic assumptions; the Company contends Ancora is overestimating the Company's active locomotives, ignoring the fact that over half of the Company's cars are customer-owned, and projecting fuel efficiency gains that generally are not supported by industry precedent. Based on its assessment, the board believes Ancora's plan would yield only $400 million of cost savings, or half of Ancora's projection. Further, the board claims that in order to achieve the remaining $400 million in cost savings within the first 12 months, the Company would need to furlough roughly 2,900 employees, a scenario that has drawn the ire and scrutiny of the AFL-CIO, a labor union federation that indirectly represents various union employees of the Company and publicly supports the current board's plan.

For its part, Ancora refutes the claim that it is looking to implement a "slash-and-burn" playbook. Rather, Ancora expects that headcount reductions at the Company will be achieved at a gradual pace based on a conservative assumption of 3% annual attrition (compared to the typical annual attrition rate of 7%). Ancora notes that rightsizing the Company's headcount would result in a reduction of around 1,450 personnel over the next three years. Ancora has also noted its commitment to improving safety, as evidenced by its commitment to ensuring that the Company has a two-person crew on mainline trains, consistent with the mandate being proposed by the FRA. Ancora points out that, in contrast, the Company has consistently opposed a two-person crew mandate. Further, in late April 2024, multiple labor unions publicly announced their support of Ancora's plan, with one union (the BMWED-IBT) citing the union's "reasonably constructive meeting with a potential new leadership team" and a lack of assurances from the Company's current leadership team.

According to a recent anonymous shipper survey conducted by equity research firm Stephens Inc., a vast majority of survey respondents expressed negative sentiment for Ancora's plan and positive sentiment for the Company's plan. However, in the absence of further information and a more comprehensive breakdown of the total number of shippers and the types of shippers who were surveyed, we are hesitant about putting much, if any, stock into the results of that survey.

In our view, even if investors conclude that Ancora's plan is perhaps overly optimistic, a view expressed by at least one investor we engaged with, we believe there remains significant room for improvement at the Company given that many of the Company's key financial metrics have long lagged those of CSX and its other Class I peers. Investors who support Ancora's campaign will likely view the initial focus on a PSR-driven network redesign as a positive first step, as a successful redesign could yield improved asset utilization and greater efficiencies, thereby contributing to increased shareholder value.

Further, considering that railroad safety is currently at the forefront of the minds of various key stakeholders, we believe a "slash-and-burn" approach would likely be untenable, as such a move could invite greater regulatory scrutiny and generate momentum for potentially more onerous industry regulation. We believe Ancora likely understands this line of thinking, as it has not called for any draconian cost cuts and, instead, has made safety a stated priority.

We also believe that Ancora's candidates for the Company's top executive roles – James Barber, Jr. as CEO and Jamie Boychuk as COO – have compelling credentials and track records. We note Mr. Barber had an accomplished, 35-year career at United Parcel Service ("UPS"), where he rose up the ranks to hold key leadership positions in domestic and international business units before serving as COO from 2018 until his departure in 2020. While the Company criticizes Mr. Barber for his lack of railroad experience, Ancora maintains that Mr. Barber's experience is highly relevant given that UPS and Norfolk Southern are transportation network businesses with many similar characteristics. It's also worth noting that CSX's current CEO, Joseph R. Hinrichs, had a professional background primarily in the automotive industry – specifically, having held various leadership roles at Ford Motor Company – prior to joining CSX in 2022. Thus, there appears to us to be a very recent precedent for a railroad firm to look outside the industry to fill their top executive role.

With respect to Mr. Boychuck, we note his lengthy track record in the railroad industry, having most recently served as Executive Vice President of Operations at CSX, where he worked directly with Hunter Harrison to oversee the implementation of PSR. Ancora frames Mr. Boychuk's track record as a clear positive, noting that CSX outperformed Norfolk Southern on every key metric during his tenure at CSX. On the other side, the Company attempts to portray Mr. Boychuk as an inferior candidate to its current COO, John Orr, citing concerns regarding Mr. Boychuk's track record regarding safety and people management. After review, we believe there is insufficient evidence to suggest that CSX's safety record and people management under Mr. Boychuk's leadership was problematic to the degree seemingly suggested by the Company. Based on FRA data, we observe that CSX generally had lower rates of reported train accidents and injuries than the Company during Mr. Boychuk's tenure at CSX (from 2017 to 2023). Overall, we believe Mr. Boychuk is a credible and capable candidate to serve as the Company's COO and lead Ancora's proposed PSR strategy for the Company.

REVIEW OF THE COMPANY'S PLAN AND RECENT ACTIONS

Since Mr. Shaw took the reins as the Company's CEO in mid-2022, the Company has adopted what it characterizes as a modern version of PSR, a strategy that is focused on delivering reliable and resilient service, continuous productivity and sustainable growth, with safety at its core. The Company believes this strategy, which combines elements of PSR with elements of resilience railroading, will enable it to better meet the needs of its customers and outperform through market cycles. The Company argues this strategy was delivering improved results heading into 2023, prior to the East Palestine derailment. Moving forward, assuming the East Palestine-related matters are largely resolved from a legal liability standpoint, the board expects the Company can deliver $550 million in productivity savings over the next three years through savings/improvements in compensation and benefits ($250 million), fuel efficiency ($150 million), purchased services ($50 million), equipment rents ($50 million) and materials and other areas ($50 million). Further, assuming a broader market recovery, the board believes the Company can achieve an operating ratio of 60% or lower within the next three to four years, a level the Company has only briefly flirted with over the past seven years (60.1% in FY2021).

On the other side, Ancora believes the Company's resilience strategy – which calls for the Company to hold onto more manpower, locomotives and cars at all times in order to take advantage of unexpected volume opportunities – results in inefficient asset utilization, higher costs, network congestion and reduced safety. Ancora further contends that a resilience railroading strategy is fundamentally incompatible with PSR; the former calls for having sufficient assets in reserve, while the latter calls for optimizing efficiency. Framed in this manner, we can certainly understand the underlying logic behind Ancora's argument and the seeming incongruity of the Company's strategy.

We recognize the Company was dealt a difficult hand recently, as the East Palestine derailment almost certainly delayed much of the progress the Company might have made in its attempts to implement its strategy and show positive results to investors. Still, the derailment does not explain the consistent performance gap between the Company and its Class I peers in prior years. Put another way, it's not readily evident to us the Company's current leadership had built up a sufficiently positive track record such that investors might reasonably have the patience to allow management to implement a relatively novel operating strategy.

In our view, Ancora has also highlighted valid concerns regarding the recent string of turnover among the Company's top operational roles. Within just the last four years, the Company has had four different individuals who have served as Vice President of Transportation (or a similar role), as well as four different COOs. In our view, this rapid succession of executive turnover is quite high and may partly explain why the Company operating plans have seemingly struggled to gain traction.

We recognize the Company's recently-appointed COO, John Orr, can be reasonably viewed as being qualified for the role given his four-decade career in the railroad industry. Before joining the Company, Mr. Orr's executive roles included having served as Chief Transformation Officer at CPKC (from April 2023 to March 2024), Executive Vice President of Operations at Kansas City Southern (from April 2021 to April 2023), and Chief Transportation Officer at Canadian National (from August 2018 to February 2019). Prior thereto, Mr. Orr was a regional VP/SVP and held various other positions at Canadian National. The Company touts Mr. Orr's track record, which includes having led a turnaround of CPKC's Mexico operations and leading the implementation of PSR initiatives at other stops.

Ancora takes issue with Mr. Orr having never held an oversight role in any network-wide PSR implementation, as well as his limited experience as an operations chief and his lack of a background at an Eastern U.S. Class I railroad. While perhaps some of those arguments may be valid, we do not see clear evidence to suggest that Mr. Orr lacks relevant experience or has a decidedly poor track record as a railroad executive. Comparing the backgrounds of Messrs. Orr and Boychuk with each other, we believe each of them brings different strengths to the table, and the contemplated strategies and priorities of the board and the CEO may very well dictate who among the two is generally considered the better COO candidate for the Company.

Still, the Company's hiring of Mr. Orr has understandably raised more than a few eyebrows for several reasons. In order to hire Mr. Orr away from CPKC, the Company had to pay CPKC $25 million in cash and provide certain commercial and operational considerations related to the Meridian Speedway (which the Company operates with CPKC) and the Meridian Terminal. In a subsequent 8-K filing, the Company noted that the Meridian Speedway/Terminal concession simply involved the Company ceding its right of first refusal on intermodal traffic moving to or from the Wylie Terminal and across the Meridian Speedway. The Company further indicated that the intermodal traffic covered by the amended terms represented a minority of the Company's business on the Meridian Speedway (~25%) and accounted for only around 1% of the Company's total revenue.

Ancora frames the Meridian Speedway concession for the hire of Mr. Orr as a potentially costly move for the Company in the long run, as the concession could strengthen the competitive positions of CPKC and CSX, which are working together to create a new direct CPKC-CSX interchange connection in Myrtlewood, Alabama. On the other side, the Company argues that the concession was relatively immaterial and that the added rail competition along the relevant stretch will be a net positive for the Company, as the Company and the other relevant railroads should be in a better position to compete with and take market share from trucking. At this point, only time will tell which of these two predictions will come true.

In terms of the cash buyout fee, we recognize that finding and attracting external top-tier talent in a highly-consolidated industry may be a challenge, and that buyouts of non-compete arrangements may not necessarily be atypical in the railroad sector. As some shareholders may recall, the most notable example of a such a buyout occurred in 2017, when Hunter Harrison left Canadian Pacific to join CSX as its new CEO. In connection therewith, CSX agreed to provide reimbursements totaling $84 million – $29 million to Mr. Harrison for forfeited compensation and benefits, and $55 million to investment firm Mantle Ridge for facilitating Mr. Harrison's separation from Canadian Pacific. While the total amount of those reimbursements was certainly significant in absolute terms, there were several factors that seemingly made supporting those particular reimbursements more tenable, particularly when compared to the Company's payments for Mr. Orr:

	CSX's buyout of Hunter Harrison from Canadian Pacific (2017)	**Norfolk Southern's buyout of John Orr from CPKC (2024)**
Post-announcement share price performance	On the day after media outlets first reported that Mr. Harrison was planning to team up with Mantle Ridge to shake up management at CSX, CSX's share price rose by over 23%, adding around $8.0 billion to CSX's market cap, and generally continued on an upward trajectory over the ensuing weeks and months. For the one-month period ended February 17, 2017, the TSR of CSX was up by approximately 27.4%, outpacing that of the Company and the other North American Class I railroad firms (2.2% to 13.3%).	On the day the Company announced it had hired John Orr as COO, the Company's share price initially rose by 1.8%, being roughly in line with the one-day share price gains of the four other North American Class I railroad firms (1.4% to 1.7%), but has since declined. For the one-month period ended April 19, 2024, the TSR of the Company declined by approximately 6.0%, compared to a peer median TSR decline of 3.3%.
Executive position	Hired as CEO of CSX *(previously CEO of Canadian Pacific)*	Hired as COO of Norfolk Southern *(previously Chief Transformation Officer of CPKC)*
General prevailing view of investors	Mr. Harrison was widely regarded as having a proven track record in the railroad industry and his experience with implementing PSR.	While Mr. Orr may have extensive and relevant experience in the railroad industry, we suspect Mr. Orr likely holds less cachet than Mr. Harrison held at the time of their respective transitions. Notably, after the hire, Mr. Orr's role at CPKC of Chief Transformation Officer was not replaced; Mr. Orr's portfolio was integrated into CPKC's operating structure.

Quantitative justification for the reimbursement amount	The aggregate amount of the reimbursements was largely consistent with the amount of compensation and benefits that Mr. Harrison would be required to return to Canadian Pacific if he were to break his non-compete arrangement to join CSX.	To the best of our knowledge, the Company has not explained how it arrived at the $25 million cash buyout figure and the Meridian Speedway concession other than saying that it was "a function of supply and demand for the very small number of true PSR railroaders."
Corporate governance	The reimbursement arrangement was put to a vote and approved by CSX shareholders.	The Company did not put the buyout arrangement to a shareholder vote prior to formally hiring Mr. Orr.

We acknowledge the Company's point that Ancora may run into a similar situation that the Company faced in hiring Mr. Orr away from CPKC should Ancora try to buy out Mr. Boychuk's non-compete arrangement with CSX. To the best of our knowledge, Ancora has not publicly provided an estimate of the cost of such a potential buyout with respect to Mr. Boychuk.

Even if investors were to generally accept these non-compete buyouts as a necessary cost of obtaining top talent in this industry, we believe the timing of the Company's hire is rather reactive, as it comes on the heels of a proxy contest in which a dissident (Ancora) has proposed its own slate of candidates for the top management roles. Indeed, we believe there are numerous other recent instances in which the board has seemingly taken a reactive approach, as opposed to being proactive, particularly with respect to executive compensation. For example:

- The Company did not explicitly have a weighted, quantitatively-measured performance metric related to safety in its executive compensation program until after the East Palestine derailment. In comparison, all of the other North American Class I railroad peers have had safety metrics in their executive compensation plans since at least 2019.

- In recent years, the Company had generally been seeking to deemphasize operating ratio as a performance metric (60% weighting in the 2021 annual incentive plan, 50% weighting in 2022, removed as a metric in 2023). However, since Ancora's campaign, the Company has once again pivoted to reincorporating operating ratio as a performance metric for annual incentive compensation purposes (30% weighting for 2024).

We recognize that changes made by a board in the face of activism pressure can often leave a board exposed to criticism by investors. At the same time, we do not believe such changes are to be automatically considered negative and believe shareholders should also take heart in the fact that such a board is willing to listen and act on investor feedback. However, in this case, it's not clear to us that this responsiveness will be enough to appease most of the Company's shareholders.

CONCLUSION

Having given due consideration to the arguments presented by each side, we believe Ancora has presented a compelling case for supporting a substantial overhaul of the Company's current leadership. Based on our review, we believe the operating performance of the Company has been consistently worse than its peers for an extended period. We are also inclined to agree with Ancora's critique of the Company's current operating strategy as being one that relies on inherently incompatible railroading concepts. Further, we believe the recent assessments by ANS and the FRA suggest, at a minimum, that there is significant room for improvement with regards to the Company's workplace safety culture. The fact that multiple labor unions have now taken the relatively extraordinary step of publicly supporting an activist hedge fund in Ancora seemingly belies the Company's narrative of having strong support among its stakeholders and raises further questions regarding the ability of the current management team to improve its relationship with the Company's workforce.

Considering these and other factors, we believe shareholders should vote to replace the targeted incumbent directors, a group that includes the Company's CEO (Mr. Shaw, an employee of the Company since 1994), the chair of the board (Ms. Miles, the second-longest tenured director, having served on the board since 2014), the chair of the human capital management and compensation committee (Mr. Thompson, the longest-tenured director, having served on the board since 2013), the two other members of the human capital management and compensation committee (Mr. Huffard, Jr. (director since 2020) and Mr. Mongeau (2019)), and the current chair of the governance and nominating committee (Ms. Scanlon (2018)).

In our view, these six individuals can be reasonably viewed as bearing responsibility for the Company's longstanding underperformance and the various other identified issues, particularly given their roles with the Company and the length of their tenures at the Company. We acknowledge that these six Management Nominees have credentials and professional backgrounds that, in at least some cases and at least on paper, could arguably be viewed as superior or more relevant to those of certain of the Dissident Nominees. However, we also believe it's possible to have seemingly the right individuals on a board or in management who, for whatever reason, are collectively unable to guide their company to producing results that satisfy shareholders. We believe this is one of those cases.

In place of the six Management Nominees noted above, we believe shareholders should support the election of six of the seven Dissident Nominees, namely, Ms. Atkins, Mr. Barber, Jr., Mr. Clyburn, Jr., Mr. Fahmy, Mr. Lamphere and Ms.

Landry. In our view, these six individuals would collectively bring a reasonably relevant mix of backgrounds, experience and skillsets to the Company's board.

- Ms. Atkins has a longstanding history as a director on public company boards across various industries. *(She currently serves on five public company boards, but if elected here, has indicated she will reduce her other board commitments such that she serves on no more than four public company boards.)*

- Mr. Barber, Jr., being Ancora's candidate for CEO of the Company, has extensive experience in logistics and transportation given his lengthy career at UPS.

- Mr. Cylburn, Jr. has a government relations background from his more recent consulting work and regulatory experience from his past as a railroad regulator.

- Messrs. Fahmy and Lamphere each bring relevant railroad industry experience from their lengthy respective careers at North American railroad firms.

- Ms. Landry had a 16-year career as an equity analyst covering the U.S. transportation sector, and she has experience as a public company director.

With respect to the final board seat opening, we wrestled with deciding between Management Nominee Heitkamp and Dissident Nominee Kasich. We believe it is reasonable to consider Ms. Heitkamp separately from the other six Management Nominees given that Ms. Heitkamp is a new nominee; she has yet to serve on the board and, therefore, cannot be reasonably viewed as having had any role in the Company's various issues. Further, we believe Ms. Heitkamp and Mr. Kasich would seemingly fill the role of being the prospective director of the Company with a government and public service background – Ms. Heitkamp was most recently a senator of North Dakota (2013-2019) and previously served as Attorney General (1992-2000) and Tax Commissioner (1986-1992) of the state, while Mr. Kasich most recently served as Governor of Ohio (2011-2019) and previously served for 18 years as a House member of the state (1983-2001).

After review, we believe Ms. Heitkamp would bring more relevant experience to the Company's board compared to Mr. Kasich. In particular, as a senator, Ms. Heitkamp advocated for rail safety improvements, played a leading role in reviewing a 2013 train derailment in her state, and sponsored the Railroad Emergency Services Preparedness, Operational Needs, and Safety Evaluation (RESPONSE) Act that was signed into law in 2016. The RESPONSE Act provides for the establishment of a subcommittee within the Federal Emergency Management Agency (FEMA) tasked with making recommendations for improving emergency responder training and resource allocation for train derailments involving hazardous materials. In our view, Ms. Heitkamp clearly brings relevant government and public policy experience, and her advocacy for rail safety is particularly timely considering the recent East Palestine derailment and the looming possibility of further railroad safety legislation. We also reviewed the concerns expressed by Ancora regarding certain aspects of Ms. Heitkamp (with respect to lack of experience as a public company director and specific judgment concerns) and determined those aspects were, on balance, not significant enough to credibly suggest that she could not effectively serve as a director of the Company. Further, we see no reason to question Ms. Heitkamp's independence as a potential director.

On the other side, we acknowledge that Mr. Kasich, as Governor of Ohio, oversaw state agencies in areas such as the environment and transportation. However, based on our review of Ancora's public materials and our engagement with Ancora's representatives, we did not come away with the impression that Mr. Kasich has a substantive policy background and/or relevant and distinct insight when it comes to the railroad industry.

We understand that our recommendation of supporting six Dissident Nominees means that such nominees would not constitute a majority of the Company's anticipated 13-member board. Consequently, the Dissident Nominees would not necessarily be able to form a unilateral bloc that ensures the full implementation of Ancora's strategic plan. Rather, the Dissident Nominees would need to be able to reach across the tracks and persuade at least one other director to align with their strategic and operating plan. We believe such an outcome could be favorable insomuch that it could provide greater assurances that Ancora's plan is properly stress-tested at the board level. We also believe it's reasonable to assume that the remaining incumbent directors would understand the implication of shareholders having voted out the Company's CEO and a significant number of key directors, that is, that shareholders would be sending a clear indication of a vote of no confidence regarding the Company's historical performance, current direction and leadership. Moreover, we note that our recommendation would still provide Ancora with one more seat than the five it originally sought in settlement conversations with the Company more than two months ago.

Accordingly, we recommend that shareholders vote on the Dissident's BLUE proxy card:

FOR:

Dissident Nominees Atkins; Barber, Jr.; Clyburn, Jr.; Fahmy; Lamphere; and Landry (6); and

Management Nominees Heitkamp; Anderson; Davidson; DeBiase; Donadio; Jones; and Kelleher (7).

AGAINST:

Dissident Nominee Kasich (1); and

Management Nominees Huffard, Jr.; Miles; Mongeau; Scanlon; Shaw; and Thompson (6).

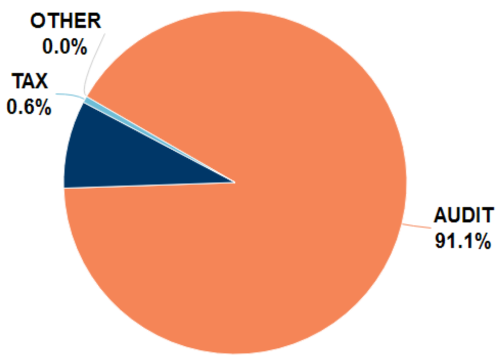
2.00: RATIFICATION OF AUDITOR

FOR

PROPOSAL REQUEST:	Ratification of KPMG
PRIOR YEAR VOTE RESULT (FOR):	95.5%
BINDING/ADVISORY:	Advisory
REQUIRED TO APPROVE:	Majority of votes cast
AUDITOR OPINION:	Unqualified

RECOMMENDATIONS & CONCERNS:

FOR- No material concerns



AUDITOR FEES

	2023	2022	2021
Audit Fees:	$3,308,214	$3,423,000	$3,073,500
Audit-Related Fees:	$300,100	$327,000	$225,500
Tax Fees:	$21,667	$64,880	$140,000
All Other Fees:	$ 0	$ 0	$ 0
Total Fees:	$3,629,981	$3,814,880	$3,439,000
Auditor:	KPMG	KPMG	KPMG
1-Year Total Fees Change:		-4.8%	
2-Year Total Fees Change:		5.6%	
2023 Fees as % of Revenue*:		0.030%	

* Annual revenue as of most recently reported fiscal year end date. *Source: Capital IQ*

Years Serving Company:	42
Restatement in Past 12 Months:	No
Alternative Dispute Resolution:	No
Auditor Liability Caps:	No
Lead Audit Partner:	Randolph Paul Green
Critical Audit Matters:	2 • Sufficiency of audit evidence related to the capitalization of property expenditures • Eastern Ohio Incident

GLASS LEWIS ANALYSIS

The fees paid for non-audit-related services are reasonable and the Company discloses appropriate information about these services in its filings.

We recommend that shareholders vote **FOR** the ratification of the appointment of KPMG as the Company's auditor for fiscal year 2024.

3.00: ADVISORY VOTE ON EXECUTIVE COMPENSATION

AGAINST

PROPOSAL REQUEST:	Approval of Executive Pay Package	**PAY FOR PERFORMANCE GRADES:**	**FY 2023** C **FY 2022** C **FY 2021** C
PRIOR YEAR VOTE RESULT (FOR):	84.1%	**RECOMMENDATION:**	AGAINST
STRUCTURE:	Fair		
DISCLOSURE:	Fair		

EXECUTIVE SUMMARY

SUMMARY ANALYSIS

Although the negative discretion and response to shareholder feedback is appropriate, the adjustments related to East Palestine require scrutiny. The ensuing impact on pay outcomes for 2021 PSUs causes us to question whether executives are sufficiently being held accountable for results. Accordingly, we recommend a vote against the proposal.

COMPENSATION HIGHLIGHTS

- STI: Performance-based; most recent awards paid out at 0% after exercise of negative discretion (original calculation would have resulted in 24% of target payout)
- LTI: Performance-based and time-based; most recently completed performance cycle paid out above target
  - The committee determined to approve 2023 annual and long-term incentive payouts that adjust for costs related to the East Palestine incident and response, as permitted under the program to recognize actual performance achievements. For 2021-2023 PSUs, adjustments related to East Palestine increased the payout percentage from 56% to 96.3% of target.
- One-time: None granted during the past fiscal year

MATERIAL CHANGES

- As disclosed in last year's proxy statement, the Company re-designed its 2024 STIP to include weighted safety metrics with pre-determined goals and an employee engagement modifier (also based on achievement against pre-determined goals).
- In response to shareholder feedback, the Company also exercised negative discretion under the 2024 STIP to reduce payouts to zero and expanded its clawback policy for all incentive compensation granted after its adoption (starting with 2024 awards).
- Pursuant to a press release on March 20, 2024, John Orr resigned from Canadian Pacific Kansas City ("CPKC") in order to commence employment with the Company.
  - The Company has agreed to a one-time payment to CPKC of $25 million, make certain commercial and operational considerations related to the Meridian Speedway and the Meridian Terminal, and abide by temporary non-solicitation and non-hire provisions regarding a short list of CPKC employees.

SUMMARY COMPENSATION TABLE

NAMED EXECUTIVE OFFICERS	BASE SALARY	BONUS & NEIP	EQUITY AWARDS	TOTAL COMP*
Alan H. Shaw *President and Chief Executive Officer*	$1,100,000	-	$10,000,331	$13,418,978
Mark R. George *Executive Vice President and Chief Financial Officer*	$675,000	-	$2,400,866	$3,366,246
Ann A. Adams *Executive Vice President and Chief Transformation Officer*	$625,000	-	$2,000,974	$3,419,084
Claude E. Elkins *Executive Vice President and Chief Marketing Officer*	$600,000	-	$2,000,974	$3,959,635
Paul E. Duncan *Executive Vice President and Chief Operating Officer*	$625,000	-	$2,400,866	$3,169,555

CEO to Avg NEO Pay: 3.86: 1

*Inclusive of amounts disclosed in the Change in Pension Value and Nonqualified Deferred Compensation Earnings column of the Company's disclosed Summary Compensation Table. For the CEO, this amount was $2,171,580.

CEO SUMMARY

	2023 ALAN H. SHAW	2022 ALAN H. SHAW***	2021 JAMES A. SQUIRE
Total CEO Compensation	$13,418,978	$9,770,910	$14,016,942
1-year TSR	-1.6%	-15.6%	27.3%
CEO to Peer Median *	0.9:1	N/A	N/A
Fixed/Perf.-Based/Discretionary **	11.1% / 53.3% / 35.6%	N/A	N/A

* Calculated using the first Company-disclosed peer group. ** Percentages based on the CEO Compensation Breakdown values. ***Reflects year- CEO (CEO transition in 2022).

CEO COMPENSATION BREAKDOWN

FIXED

Cash		**$1.2M**
Salary		$1.1M
Benefits / Other		$147,067
	Total Fixed	$1.2M

PERFORMANCE-BASED

PSUs		**$6.0M**
Long-term Incentive Plan		$6.0M
Target/Maximum	25,350 shares / 63,375 shares	
Metrics	TSR, ROAIC, Revenue Growth	
Performance Period	3 years	
Additional Vesting / Deferral Period	-	
Cash		**$0.0M**
Short-term Incentive Plan		$0
Target/Maximum	$1.7M / $3.7M	
Metrics	Operating Income, FRA Reportable Train Accident Rate, FRA Reportable Injury Rate, Intermodal Composite, Merchandise On-Time Delivery, Revenue, Employee Engagement Score	
Performance Period	1 year	
Additional Vesting / Deferral Period	-	
	Total Performance-Based	$6.0M

TIME-VESTING/ DISCRETIONARY

Stock Options		**$2.5M**
Long-term Incentive Plan		$2.5M
Vesting / Deferral Period	4 years (ratable)	
RSUs		**$1.5M**
Long-term Incentive Plan		$1.5M
Vesting / Deferral Period	4 years (ratable)	
	Total Time-Vesting/Discretionary	$4.0M

Awarded Incentive Pay	**$10.0M**
Total Pay Excluding change in pension value and NQDCE	**$11.2M**

PEER GROUP REVIEW [1 2 3 4]

THE COMPANY USES TWO PEER GROUPS FOR SETTING PAY LEVELS.

INDUSTRIALS PEER GROUP

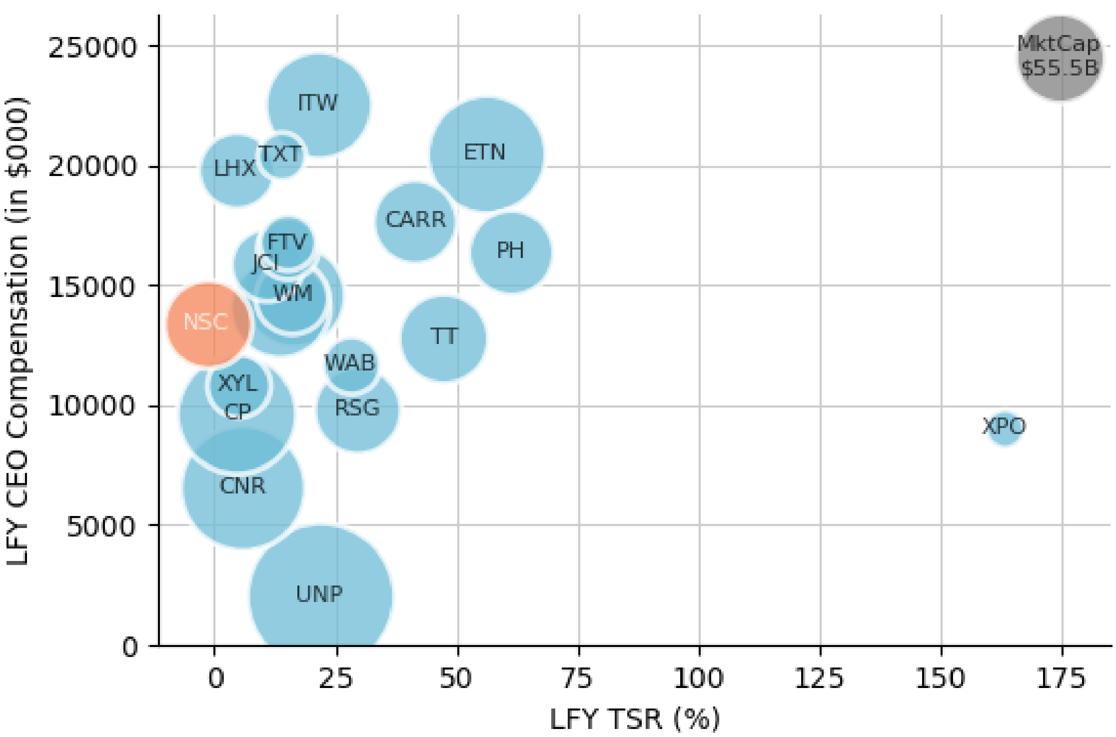
This peer group consists of 20 companies. Total NEO compensation is not benchmarked to a specific percentile of this peer group.

	MARKET CAP	REVENUE	CEO COMP	1-YEAR TSR	3-YEAR TSR	5-YEAR TSR
75th PERCENTILE OF PEER GROUP	$71.2B	$19.3B	$17.5M	38.5%	20.8%	20.5%
MEDIAN OF PEER GROUP	$48.2B	$15.0B	$14.6M	16.0%	11.6%	17.0%
25th PERCENTILE OF PEER GROUP	$26.3B	$10.4B	$11.0M	11.4%	7.0%	12.3%
COMPANY	$53.4B (62nd %ile)	$12.2B (28th %ile)	$13.4M (36th %ile)	-1.6% (Lowest)	1.9% (Lowest)	11.8% (8th %ile)

CLASS I RAILROADS PEER GROUP

This peer group consists of five companies. Total NEO compensation is not benchmarked to a specific percentile of this peer group.

	MARKET CAP	REVENUE	CEO COMP	1-YEAR TSR	3-YEAR TSR	5-YEAR TSR
75th PERCENTILE OF PEER GROUP	$128.6B	$20.5B	$11.9M	17.6%	8.0%	16.2%
MEDIAN OF PEER GROUP	$102.6B	$15.7B	$8.1M	9.6%	7.3%	13.6%
25th PERCENTILE OF PEER GROUP	$83.1B	$13.6B	$4.3M	5.1%	6.4%	12.4%
COMPANY	$53.4B (Lowest)	$12.2B (Lowest)	$13.4M (83rd %ile)	-1.6% (Lowest)	1.9% (Lowest)	11.8% (Lowest)



1 Market capitalization figures are as of fiscal year end dates. *Source: Capital IQ*

2 Annual revenue figures are as of fiscal year end dates. *Source: Capital IQ*

3 Annualized TSR figures are as of fiscal year end dates. *Source: Capital IQ*

4 Annual CEO compensation data based on the most recent proxy statement for each company.

EXECUTIVE COMPENSATION STRUCTURE - SYNOPSIS

FIXED

Base salaries did not increase significantly during the past fiscal year.

SHORT-TERM INCENTIVES

STI PLAN	
AWARDS GRANTED (PAST FY)	*Cash*
TARGET PAYOUTS	*$1,658,250 for the CEO and up to $610,538 for the other NEOs*
MAXIMUM PAYOUTS	*$3,712,500 for the CEO and up to $1,366,875 for the other NEOs*
ACTUAL PAYOUTS	*No payouts*

Performance is measured over one year.

The operating income result was adjusted to account for East Palestine derailment-related costs.

Employee engagement scores are compared to benchmarks for US employees across a range of industries.

Operating income performance was adjusted for East Palestine-related costs. Unadjusted and adjusted figures are displayed below.

The committee exercised negative discretion to reduce earned annual incentive payouts from 24% to zero to more closely align with shareholder outcomes, taking into account operational and financial results and including the result of the East Palestine derailment.

METRICS FOR CUSTOMER SERVICE		**MERCHANDISE ON-TIME DELIVERY**	**INTERMODAL COMPOSITE**
		Absolute	Absolute
	Weighting	10%	10%
	Threshold Performance	52.8%	64.4%
	Target Performance	63.4%	79.3%
	Maximum Performance	69%	84%
	Actual Performance	54.1%	78%

METRICS FOR MODIFIER		**EMPLOYEE ENGAGEMENT SCORE**
		Relative
	Weighting	Modifier (up to 20%)
	Threshold Performance	N/D
	Target Performance	N/D
	Maximum Performance	N/D
	Actual Performance	Below threshold

METRICS FOR FINANCIAL		**OPERATING INCOME**	**REVENUE**
		Absolute	Absolute
	Weighting	40%	30%
	Threshold Performance	$4.2B	$11.7B
	Target Performance	$4.8B	$12.7B
	Maximum Performance	$5.1B	$13.3B
	Actual Performance	Pre-adjustment: $2.9B Post-adjustment: $4.0B	$12.2B

		FRA REPORTABLE TRAIN ACCIDENT RATE	**FRA REPORTABLE INJURY RATE**
		Absolute	Absolute

METRICS FOR SAFETY			
	Weighting	5%	5%
	Threshold Performance	3.58	0.98
	Target Performance	3.29	0.96
	Maximum Performance	2.89	0.92
	Actual Performance	3.84	1.08

LONG-TERM INCENTIVES

LTI PLAN	
AWARDS GRANTED (PAST FY)	*PSUs, RSUs and stock options*
TARGET PAYOUTS	*PSUs: 25,350 shares for the CEO and up to 5,070 shares for the other NEOs*
MAXIMUM PAYOUTS	*PSUs: 63,375 shares for the CEO and up to 12,675 shares for the other NEOs*
TIME-VESTING PAYOUTS	*RSUs: 6,240 shares for the CEO and up to 2,500 shares for the other NEOs* *Stock Options: 32,220 shares for the CEO and up to 7,730 shares for the other NEOs*

PSU performance is measured over three years.

RSU awards vest over four years.

Stock option awards vest over four years.

Revenue growth is measured relative to the Class I Railroads peer group. This modifier is also subject to a 200% cap.

TSR is measured relative to the industrials peer group.

METRICS FOR PSUS		ROAIC	REVENUE GROWTH	TSR
		Absolute	Relative	Relative
	Weighting	100%	Additive Modifier (0% to 50%)	Modifier (+/- 25%)
	Threshold Performance	N/D	Third or lower	25th %ile
	Target Performance	N/D	N/A	50th %ile
	Maximum Performance	N/D	Highest	75th %ile

RISK-MITIGATING POLICIES

CLAWBACK POLICY	*Yes - expanded policy (not strictly restatement-dependent)*
ANTI-HEDGING POLICY	*Yes*
STOCK OWNERSHIP GUIDELINES	*Yes - all NEOs*

SEPARATION & CIC BENEFITS

HIGHEST SEVERANCE ENTITLEMENT	*2.99x base salary and bonus*
CIC EQUITY TREATMENT	*Double-trigger acceleration*
EXCISE TAX GROSS-UPS	*No*

OTHER FEATURES

LFY CEO TO MEDIAN EMPLOYEE PAY RATIO	*109:1**
E&S METRICS FOR THE CEO	*Safety and Human Capital Management*
BENCHMARK FOR CEO PAY	*No specific benchmark*

*The Company-disclosed median employee pay for the year in review was $123,776.

OTHER COMPENSATION DISCLOSURES

COMPENSATION ACTUALLY PAID (YEAR-END CEO)	*$4,077,950 for FY2023 and $10,444,401 for the prior fiscal year*
REPORTED TSR*	*$132 for FY2023 and $134 for the prior fiscal year*
KEY PVP METRICS	*After-tax ROAIC, operating income, annual revenue and TSR*

*Reported TSR reflects the year-end value of an initial fixed $100 investment at the start of the required reporting period under SEC Pay Vs Performance (PVP) disclosure rules.

GLASS LEWIS ANALYSIS

This proposal seeks shareholder approval of a non-binding, advisory vote on the Company's executive compensation. Glass Lewis believes firms should fully disclose and explain all aspects of their executives' compensation in such a way that shareholders can comprehend and analyze the company's policies and procedures. In completing our assessment, we consider, among other factors, the appropriateness of performance targets and metrics, how such goals and metrics are used to improve Company performance, the peer group against which the Company believes it is competing, whether incentive schemes encourage prudent risk management and the board's adherence to market best practices. Furthermore, we also emphasize and evaluate the extent to which the Company links executive pay with performance.

PROGRAM FEATURES [1]

POSITIVE

- Alignment of pay with performance
- LTIP performance-based
- STIP performance-based
- STI-LTI payout balance
- No single-trigger CIC benefits
- Anti-hedging policy
- Enhanced clawback policy for NEOs
- Executive stock ownership guidelines for NEOs

NEGATIVE

- Discretion related to adjusted metrics
- Insufficient disclosure of LTIP performance goals
- Insufficient disclosure of STIP performance goals
- Similar metrics used under STIP and LTIP

[1] Both positive and negative compensation features are ranked according to Glass Lewis' view of their importance or severity

AREAS OF FOCUS

VARIABLE COMPENSATION

Vesting Below Median
Policy Perspective: Long-term incentive plans that allow for significant payouts for below-median performance effectively may reward NEOs for significant underperformance. Shareholders may question whether such structures are fully appropriate.

Overlapping Performance Conditions
Policy Perspective: Glass Lewis believes that when more than 30% of the short-term and long-term incentive plans are based on similar metrics, the plan runs the risk of doubly rewarding or penalizing executives for similar achievements. Such a structure may also fail to fully reflect the overall health of the company.

Performance Adjustments Related to East Palestine
Company Perspective: After taking into account various alternatives, shareholder feedback, market data, financial and operational impact, potential for future unintended incentive payouts and management responsiveness, the committee approved adjustments related to the costs associated with the East Palestine incident and response for 2023 STIP and 2021-2023 PSU payouts. These adjustments are permitted under the plans and were designed to more accurately recognize actual performance achievements of the relatively new management team for the year and align with the presentation of East Palestine-related charges in financial statements. The committee believes this is a balanced and consistent approach that results in appropriate compensation for the management team and in light of their performance and significant efforts following the East Palestine derailment.

The Company also states the following:

> "Failure to apply the East Palestine Adjustments would result in a significant imbalance between when the majority of costs are incurred versus when the vast majority of potential recoveries may occur, resulting in a reduction in 2023 compensation as well as an increase in future-period compensation related to the timing of offsetting insurance and potential third-party recoveries that are unrelated to underlying management performance during such periods."

Impact on Payouts: The adjustments resulted in no impact on the STIP payouts given the exercise of negative discretion, lowering payouts to 0% for 2023. Additionally, the adjustment for operating income still also resulted in below threshold performance. PSUs for the 2021-2023 performance cycle were impacted by increasing average ROAIC from 11.7% to 12.6%, thus increasing the PSU payout percentage from 56% to 96.3% of target. The Company also adjusted for the impact of the Cincinnati Southern Railroad acquisition cost, which resulted in a 0.1% increase to ROAIC performance. Ultimately, payouts for 2021-2023 PSUs was at 105% of target (taking into account 0.875x relative TSR modifer).

Analyst Comment: While we recognize that it falls within the purview of the committee to adjust for special, one-time expenses when evaluating performance for the year in review. The negative discretion under the STIP is appropriate and effectively aligns payouts with results in the short term. Yet, shareholders should note that PSU target award values hold a higher value than target STIP. The CEO's STIP was only 13% of the target pay. Without the negative discretion, payout of the STIP would have been 24% of target. The reduction in payout thus appears largely symbolic in comparison to the performance LTIP as the value of actual payouts for the 2021 PSUs is higher than the calculated STIP payout for 2023 prior to negative discretion.

Thus, shareholders may question the absence of negative discretion for PSU payouts, particularly given the impact of the East Palestine derailment costs impacted this component of pay most significantly. Above target payouts as a result of this adjustments should be noted. While we recognize the negative impact of the TSR modifier on payouts (120% reduced to 105% of target payouts earned), payouts were still above target largely due to the adjustment. This speaks to our concerns about the limited role that the relative component plays in the incentive program as a modifier for results at the extreme ends of the relative performance spectrum. It also speaks to concerns about whether the incentive structure adequately considers the shareholder experience. Three-year TSR was weak at 1.9%, the lowest among the Company-selected peer group, making the above-target payouts of the PSU award unreasonable.

With regard to the Company's statement about a relatively new management team, we note that the CEO, while promoted to the position May 2022, served as president since 2021 and has been with the Company since 1994. Of the remaining NEOs, only one had not been an NEO in the previous year as well. All NEOs were employed by the Company on the date of the derailment, though Mr. Duncan, the newest NEO disclosed on the Summary Compensation Table was appointed EVP and COO in January 2023 (Mr. Duncan was replaced by a new hire in March 2024). Given this evidence of the executives being in position when the derailment occurred and for some long before it, we do not believe the management team should be completely shielded from the costs associated with the Company's actions over the past couple years as it pertains to PSU payouts.

As previously noted, Company TSR over the past three years, while not negative, is the lowest of the Company's industry, Class I railroad companies and Glass Lewis peers. Performance for the remaining financial metrics considered under our pay-for-performance methodology (operating cash flow, EPS, ROE and ROA) were also either below or near the bottom quartile of Glass Lewis peers. Ultimately, while the adjustments may have been necessary to accurately evaluate performance, the above target payouts under the LTIP are concerning given the scope and costs associated with the East Palestine derailment.

DISCLOSURE

Performance Goals Not Disclosed

Policy Perspective: The Company has not clearly disclosed its goals under the STI plan and the vesting conditions for performance-based awards granted under the LTI plan. Descriptions of performance goals enable shareholders to understand and evaluate the Company's procedures for quantifying performance and translating it into payouts for executives.

2024 ACTIONS

Compensation Arrangements in 2024

Analyst Comment: Pursuant to a press release on March 20, 2024, John Orr resigned from Canadian Pacific Kansas City ("CPKC") in order to commence employment with the Company. The Company has agreed to a one-time payment to CPKC of $25 million, make certain commercial and operational considerations related to the Meridian Speedway and the Meridian Terminal, and abide by temporary non-solicitation and non-hire provisions regarding a short list of CPKC employees.

The Company subsequently released a Form 8-K to clarify that the Meridian Speedway Amendments to the CPKC

Agreement are not consequential to the Company. The Company did not give up its option to acquire the Dallas Wylie Terminal. Regardless, the cost to acquire Mr. Orr's services was high. The arrangement is not without precedent in the sector, but it is also noted that it was also not placed in front of shareholders for approval. In addition to the arrangement with CPKC, the Company provided Mr. Orr with a time-based RSU grant of $6.0 million vesting over three years and an $825,000 signing bonus. At this time, we are cautious of the total cost of the acquiring Mr. Orr's service and will review it in the context of the 2024 pay program upon full disclosure.

2023 PAY FOR PERFORMANCE: C

Policy Perspective: "C" grades in the Glass Lewis pay-for-performance model indicate an adequate alignment of pay with performance, where the gap between compensation and performance rankings is not significant.

CONCLUSION

We recommend that shareholders vote **AGAINST** this proposal.

4.00: SHAREHOLDER PROPOSAL REGARDING LOBBYING REPORT

FOR

PROPOSAL REQUEST:	That the Company provide an annually updated report on its lobbying expenditures and activities	**SHAREHOLDER PROPONENT:**	John Chevedden
BINDING/ADVISORY:	Precatory		
PRIOR YEAR VOTE RESULT (FOR):	N/A	**REQUIRED TO APPROVE:**	Majority of votes cast

RECOMMENDATIONS, CONCERNS & SUMMARY OF REASONING:

FOR -
- Increased disclosure would allow shareholders to more fully assess risks presented by the Company's lobbying activities

GLASS LEWIS REASONING

- We believe that enhanced disclosure, such as that requested by this proposal, would provide shareholders with a more sufficient basis to assess and factor in the Company's exposure to political risks

PROPOSAL SUMMARY

Text of Resolution: *Resolved, Shareholders request the preparation of a report, updated annually, disclosing:*

1. *Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.*
2. *Payments by Norfolk Southern used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.*
3. *Norfolk Southern's membership in and payments to any tax-exempt organization that writes and endorses model legislation.*
4. *Description of management's and the Board's decision-making process and oversight for making payments described in sections 2 and 3 above.*

A "grassroots lobbying communication" is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. "Indirect lobbying" is lobbying engaged in by a trade association or other organization of which Norfolk Southern is a member.

Both "direct and indirect lobbying" and "grassroots lobbying communications" include efforts at the local, state and federal levels.

The report shall be presented to the Government and Nominating Committee and posted on Norfolk Southern's website.

Proponent's Perspective

- Full disclosure of the Company's lobbying activities and expenditures is needed to assess whether its lobbying is consistent with its expressed goals and in shareholder interests;
- The Company spent $41 million on federal lobbying from 2010 to 2022, which does not include state lobbying, where it also lobbies;
- The Company's lobbying in Ohio has come under scrutiny after the train accident in East Palestine;
- Companies can give unlimited amounts to third-party groups that spend millions on lobbying and undisclosed grassroots activity;
- The Company's disclosure omits payments to major trade associations that lobby, like membership in the American Chemistry Council, and social welfare groups, such as serving on the board of GO Rail; and
- The Company's lack of disclosure presents reputational risk when its lobbying contradicts its public positions.

Board's Perspective

- This proposal does not properly consider the Company's robust existing disclosures, policies, and practices regarding lobbying and related expenditures;
- The Company publicly discloses on its website the total of the prior year payments used for federal, state, and local direct lobbying and grassroots lobbying together with the sum contributed for corporate political contributions and the portion of trade association payments that it is advised are used for direct or indirect lobbying activities;
- The trade organizations in which the Company participates may engage in lobbying activities, but the Company works with the other members to ensure that lobbying conducted through trade organizations reflects the Company's values and concerns;
- Preparing the report requested by this proposal would not provide shareholders with an incremental benefit beyond the robust disclosures already provided;
- The Company has consistently been recognized by independent third parties as a leader in lobbying and political spending disclosure; and
- The board is actively engaged in the oversight of the Company's lobbying activities, and, as part of its oversight role, the board has delegated the responsibility to review political contributions and lobbying activities to the governance and nominating

committee.

THE PROPONENT

John Chevedden

The proponent of this proposal is John Chevedden. Based on information from companies that disclosed their proponents, during the first half of 2023, John Chevedden submitted 147 shareholder proposals that received an average of 31.3% support, with 15 proposals receiving majority support.

John Chevedden is a former aerospace employee who has pursued shareholder activism for decades. He is reported to be the leading proponent of shareholder proposals in the U.S. annually. While his focus has long been on corporate governance, recent reports suggest he has taken on a focus on social issues, as well. In the 2022 season, in addition to submitting governance-related proposals (such as those requesting companies eliminate supermajority vote provisions or adopt a special meeting right), Chevedden submitted several proposals regarding companies' lobbying efforts and political contributions, among other things.

GLASS LEWIS ANALYSIS

Companies should provide sufficient disclosure of the use of company funds for political purposes, including grants made to politically active trade associations, in order to allow shareholders to evaluate the use of such grants as well as the oversight provided over the making of such grants. Shareholders should evaluate whether the benefits of the additional disclosure outweigh the burden to the company.

We believe that companies should consider their exposure to risk stemming from making corporate political expenditures and the nature of board oversight over such spending. Informative disclosure and robust board oversight of political contributions are important components of corporate accountability. In our view, a rigorous board oversight process can mitigate a company's legal, reputational, and financial risks by ensuring that donations are made in accordance with federal and state laws, consistent with a company's stated values, and will clearly lead to the protection or enhancement of long-term shareholder value.

Given the dramatic increase in overall political spending and the Citizens United Supreme Court decision, investors, spurred by risk concerns, are increasingly seeking more information from companies about their political activities. For detailed information on corporate political spending, including the history, relevant regulation, various ways companies contribute to political causes, and empirical evidence regarding such spending, please see Glass Lewis' *In-Depth: Corporate Political Spending*.

When evaluating whether the report requested would benefit shareholders, Glass Lewis reviews the following information: (i) whether the disclosure provided by the Company is accessible and meaningful; (ii) the level of oversight afforded to the Company's corporate political spending; (iii) how the Company's disclosure and oversight compares with that of its peers; and (iv) any risks to shareholder value as a result of the Company's corporate political spending.

COMPANY ANALYSIS

Company Name	**Norfolk Southern Corporation (NYSE: NSC)**	**CSX Corporation (NASDAQ: CSX)**	**Union Pacific Corporation (NYSE: UNP)**
Level of Oversight	As part of its oversight role, the governance and nominating committee of the board reviews, at least annually, the political contributions, including the non-deductible spending related to	The governance and sustainability committee reviews reports from management regarding: (i) significant legal, legislative, and regulatory initiatives and rulemaking by federal, state, local, and foreign government authorities; (ii) political, social, and environmental trends; and (iii) other public policy issues and related trends of significance that may affect the firm. The committee also periodically reviews the political giving policy, and, where	The corporate governance, nominating, and sustainability committee reviews, at least annually: (i) the political contributions and lobbying activities; and (ii) the political contributions policy and any applicable guidelines. It also oversees the controls and procedures that the firm institutes to

	trade associations and other tax-exempt organizations.	required pursuant to the policy, provides approval of: (i) corporate campaign contributions to state and local candidates; (ii) political contributions from its employee-funded PAC; and (iii) independent election expenditures and contributions to trade associations for political purposes	procedures that the firm institutes to provide that such contributions and activities are conducted in a legal and ethical manner. Further, the board receives annual briefings on corporate-wide political spending.
Corporate Political Spending Policy	Yes	Yes	Yes
Direct Political Contributions Disclosure	States the board has authorized it to contribute to state and local candidates for public office, political committees, and political parties, as well as for other political purposes, (which may include 527 and other similar organizations), subject to any legal limitations and applicable reporting requirements, up to $750,000 annually for calendar years 2023 to 2027. Discloses an itemized list of corporation contributions to candidates and political parties for the first half of 2023. Also states that, during 2022, it did not make any payment to influence the outcome of ballot measures, nor did it make any independent political expenditures to support or oppose any candidate or political party.	Provides an itemized list of campaign contributions to state political candidates and committees for 2023. Maintains a policy aggregate annual limit on political contributions and states it may not, without the prior written approval of the governance and sustainability committee of the board, make any political contribution that would cause the aggregate amount of political contributions made to exceed $500,000 in any calendar year. Also states that any political contribution to a state-specific 527 organization requires prior written approval of the executive VP and chief legal officer. It is permitted to make political contributions to ballot measure committees, provided that the recipient ballot measure committee supports or opposes a ballot measure that is relevant to its business or its corporate citizenship interest.	Provides a semi-annual itemized list of contributions to state and local candidates, political committees, and political organizations, including tax-exempt organizations, as well as payments to influence the outcome of ballot measures. States that it does not make independent political expenditures to support or oppose any candidate or political party.
	Provides a list of its nondeductible payments in 2022 to trade organizations, chambers of commerce, and tax-exempt organizations, where the nondeductible payments exceeded both $10,000 and 10% of the tax-deductible amount that it paid to the organization. States that it participates in rail industry trade associations, chambers of		Provides a semi-annual list of payments to trade associations, where the trade association received total dues or payments of

Indirect Political Contributions Disclosure / Trade Associations Memberships	commerce, and other trade organizations and that the trade organizations in which it participates may engage in lobbying activities, but it works with the other members to ensure that lobbying conducted through trade organizations reflects its values and concerns. Also states that it makes reasonable efforts to track and report payments made to trade associations, chambers of commerce, and other tax-exempt organizations that may be used for political purposes that would not be deductible as defined under Section 162(e)(1) of the Internal Revenue Code. Has also adopted a corporate procedure that provides that only authorized employees and contract lobbyists may engage in lobbying activities, as defined by the appropriate jurisdiction, on its behalf.	Provides a list of association dues and assessments for railroad and chamber memberships for 2023, including the non-deductible amount. Discloses a report on the alignment of its lobbying activities with its commitment to anti-racism.	$25,000 or more from the firm and the trade association spends any portion of its revenues on lobbying activities. States that it makes reasonable efforts to track and report payments to trade associations that may be used for lobbying that would not be deductible under the Internal Revenue Code, and that it has requested information regarding lobbying expenses from trade associations that received total dues or payments of $25,000. Also provides a climate lobbying alignment assessment.
2023 CPA-Zicklin Score	91.4 (Trendsetters)	95.7 (Trendsetters)	94.3 (Trendsetters)

Summary

Peer Comparison	Overall, we find all three companies to have relatively commensurate disclosure regarding their political contributions and lobbying expenditures. All three companies maintain board oversight of political contributions, a political spending policy, and itemized lists of direct political contributions. However, none of the three companies provides disclosure of the lobbying portion of trade association dues.
Analyst Note	The Company provides reasonably robust disclosure of its indirect lobbying payments

RECOMMENDATION

We understand that the Company's lobbying and political activities have come under increased scrutiny as a result of the high-profile nature of the East Palestine derailment, as detailed in the Company Updates section of this report. Given this increased scrutiny, we believe that shareholders could benefit from enhanced lobbying disclosures. We recognize that much of the Company's lobbying activities are already subject to disclosure requirements. However, we believe that there is room for improvement with respect to its indirect lobbying expenditures. Specifically, we believe that the Company could reasonably enhance its trade association disclosure to provide a more complete picture of this spending.

The Company currently provides an itemized listing of non-deductible payments (i.e., those payments used for political purposes) in 2022 to trade organizations, chambers of commerce and tax-exempt organizations, "where the payments exceeded $10,000 and 10% of the tax-deducible amount paid to the organization." However, on its website, the Company clarifies that the listing is not inclusive of organizations that received *total payments* of more than $10,000 from the Company, rather, it provides this information for organizations "where *nondeductible payments* exceeded both $10,000 and 10 percent of the tax-deducible amount that the Corporation paid to the organization in 2022" (emphasis ours). While this distinction is subtle, it could significantly limit the disclosure provided by the Company. What is far more common (and exemplified by Union Pacific's disclosure), is the itemized listing of non-deductible payments to trade associations where total payments exceed a certain threshold, generally between $10,000 and $50,000. Union Pacific, for example, discloses information concerning lobbying expenses from trade associations that received total dues or payments of $25,000, and CSX provides an itemized listing of association dues, assessments, and railroad and chamber memberships. We believe this is much more standard practice than the somewhat limited disclosure currently provided by the Company.

Ultimately, we recognize that the Company meets and exceeds the legal requirements with regard to its lobbying and political contributions disclosures. However, given the increased scrutiny of the Company and its political activities, we believe that enhanced disclosure, such as that requested by this proposal, would provide shareholders with a more sufficient basis to assess and factor in the Company's exposure to political risks. As such, we believe shareholders should support this proposal at this time.

We recommend that shareholders vote **FOR** this proposal.

5.00: SHAREHOLDER PROPOSAL REGARDING REPEAL OF BYLAW AMENDMENTS

FOR

PROPOSAL SUMMARY

The Ancora Group Inc. ("Ancora" or the "Dissident") -- which has initiated a proxy contest by proposing a slate of alternative director nominees for election at this meeting, in opposition to certain of the Company's nominees (see Proposal 1) -- intends to submit the following proposal for consideration at this meeting:

> *"RESOLVED, that each provision of, or amendment to, the Bylaws adopted by the Board without the approval of the shareholders of the Company subsequent to July 25, 2023 (the date of the most recent publicly-disclosed Bylaws) and up to and including the date of this meeting of shareholders at which this resolution is being proposed, be, and hereby is, repealed, effective as of the time this resolution is approved by the Company's shareholders."*

No provisions or amendments to the bylaws have, to date, been adopted after April 20, 2023.

GLASS LEWIS RECOMMENDATION

We note proposals of this nature are common to contested solicitations, and are generally intended to ensure a steady state in a firm's corporate governance architecture in the run-up to the annual meeting. We view such a protection as generally being consistent with the objectives of the core dissenting solicitation, which in this case we believe largely warrants shareholder support. As a result, we believe shareholders should support this resolution as well.

Accordingly, we recommend shareholders vote **FOR** this proposal.

COMPETITORS / PEER COMPARISON

	NORFOLK SOUTHERN CORPORATION	CSX CORPORATION	UNION PACIFIC CORPORATION	TRANE TECHNOLOGIES PLC
Company Data (MCD)				
Ticker	NSC	CSX	UNP	TT
Closing Price	$236.22	$33.67	$231.98	$296.49
Shares Outstanding (mm)	225.9	1,954.9	610.1	227.1
Market Capitalization (mm)	$53,365.4	$65,822.4	$141,530.2	$67,324.6
Enterprise Value (mm)	$69,902.4	$83,477.4	$174,654.2	$71,553.6
Latest Filing (Fiscal Period End Date)	12/31/23	03/31/24	12/31/23	12/31/23
Financial Strength (LTM)				
Current Ratio	1.2x	1.1x	0.8x	1.1x
Debt-Equity Ratio	1.42x	1.52x	2.31x	0.76x
Profitability & Margin Analysis (LTM)				
Revenue (mm)	$12,156.0	$14,632.0	$24,119.0	$17,677.6
Gross Profit Margin	44.3%	48.8%	53.5%	33.1%
Operating Income Margin	33.6%	37.6%	37.9%	16.0%
Net Income Margin	15.0%	24.7%	26.4%	11.4%
Return on Equity	14.3%	29.0%	47.3%	31.5%
Return on Assets	6.3%	8.2%	8.6%	9.4%
Valuation Multiples (LTM)				
Price/Earnings Ratio	39.4x	19.0x	22.6x	33.2x
Total Enterprise Value/Revenue	5.8x	5.7x	7.2x	4.0x
Total Enterprise Value/EBIT	17.1x	15.2x	19.1x	25.3x
Growth Rate* (LTM)				
5 Year Revenue Growth Rate	1.2%	3.4%	1.1%	7.4%
5 Year EPS Growth Rate	-3.4%	6.0%	5.7%	17.1%
Stock Performance (MCD)				
1 Year Stock Performance	14.0%	9.0%	19.1%	65.8%
3 Year Stock Performance	-16.2%	-2.0%	3.8%	69.1%
5 Year Stock Performance	16.5%	28.6%	32.2%	165.1%

Source: Capital IQ

MCD (Market Close Date): Calculations are based on the period ending on the market close date, 04/25/24.
LTM (Last Twelve Months): Calculations are based on the twelve-month period ending with the Latest Filing.
*Growth rates are calculated based on a compound annual growth rate method.
A dash ("-") indicates a datapoint is either not available or not meaningful.

VOTE RESULTS FROM LAST ANNUAL MEETING MAY 11, 2023

RESULTS

NO.	PROPOSAL	FOR	AGAINST/WITHHELD	ABSTAIN	GLC REC
1.1	Elect Thomas D. Bell Jr.	95.29%	4.15%	0.56%	For
1.2	Elect Mitchell E. Daniels, Jr.	87.17%	11.79%	1.04%	For
1.3	Elect Marcela E. Donadio	96.82%	2.76%	0.42%	For
1.4	Elect John C. Huffard, Jr.	96.99%	2.54%	0.46%	For
1.5	Elect Christopher T. Jones	92.46%	7.27%	0.27%	For
1.6	Elect Thomas Colm Kelleher	98.14%	1.41%	0.45%	For
1.7	Elect Steven F. Leer	92.89%	6.84%	0.27%	For
1.8	Elect Michael D. Lockhart	87.37%	12.18%	0.46%	Against
1.9	Elect Amy E. Miles	95.10%	4.66%	0.25%	For
1.10	Elect Claude Mongeau	93.75%	5.77%	0.48%	For
1.11	Elect Jennifer F. Scanlon	91.43%	8.27%	0.30%	For
1.12	Elect Alan H. Shaw	98.13%	1.41%	0.46%	For
1.13	Elect John R. Thompson	92.46%	7.18%	0.36%	For
2.0	Ratification of Auditor	95.48%	4.32%	0.19%	For
3.0	Advisory Vote on Executive Compensation	84.05%	15.37%	0.57%	Against

FREQUENCY OF ADVISORY VOTE ON EXECUTIVE COMPENSATION

NO.	PROPOSAL	1 YEAR	2 YEARS	3 YEARS	ABSTAIN	GLC REC
4.0	Frequency of Advisory Vote on Executive Compensation	97.10%	0.30%	2.20%	0.39%	1 Year

SHAREHOLDER PROPOSALS*

NO.	PROPOSAL	FOR	AGAINST	GLC REC
5.0	Shareholder Proposal Regarding Right to Call Special Meetings	45.42%	54.58%	For

*Abstentions excluded from shareholder proposal calculations.

APPENDIX

LEAD ANALYSTS & SPECIALISTS

M&A and Contests:	Environmental & Social:	Governance:	Compensation:
Eric Dao	Courteney Keatinge	Sarah Wenger Brianna Castro	Krishna Shah

GLASS LEWIS PEERS VS PEERS DISCLOSED BY COMPANY

GLASS LEWIS	NSC
CSX Corporation*	L3Harris Technologies, Inc.
Union Pacific Corporation*	Textron Inc.
Emerson Electric Co.	XPO, Inc.
J.B. Hunt Transport Services, Inc.	Waste Management, Inc.
Ryder System, Inc.	Westinghouse Air Brake Technologies Corporation
Trane Technologies plc*	Xylem Inc.
Illinois Tool Works Inc.*	Republic Services, Inc.
Parker-Hannifin Corporation*	Canadian Pacific Kansas City Limited
Fortive Corporation*	Otis Worldwide Corporation
Dover Corporation*	Carrier Global Corporation
Eaton Corporation plc*	Burlington Northern Santa Fe, LLC
Canadian National Railway Company*	
Johnson Controls International plc*	
Cummins Inc.	
Rockwell Automation, Inc.	

ALSO DISCLOSED BY NSC

QUESTIONS

Questions or comments about this report, GL policies, methodologies or data? Contact your client service representative or go to www.glasslewis.com/public-company-overview/ for information and contact directions.

DISCLAIMERS

This report should be read and understood in the context of other information Glass Lewis makes available concerning, among other things, its research philosophy, approach, methodologies, sources of information, and conflict management, avoidance and disclosure policies and procedures, which information is incorporated herein by reference. Glass Lewis recommends all clients and any other consumer of this Proxy Paper report carefully and periodically evaluate such information, which is available at: http://www.glasslewis.com.

PARTNER INSIGHTS

The pages following this appendix are included with this Proxy Paper report for informational purposes only. They contain data and insights produced by Glass Lewis' strategic business partners and none of the information included therein is a factor in Glass Lewis' analyses or vote recommendations.

About ESG Book

ESG Book is a global leader in sustainability data and technology. Launched in 2018, the company offers a wide range of sustainability-related data, scoring, and technology products that are used by many of the world's leading investors and companies. Covering over 35,000 companies, ESG Book's product offering includes ESG raw data, company-level and portfolio-level scores and ratings, analytics tools, and a SaaS data management and disclosure platform. ESG Book's solutions cover the full spectrum of sustainable investing including ESG, climate, net-zero, regulatory, and impact products. Read more on: www.esgbook.com

SUSTAINALYTICS ESG PROFILE

ESG Risk Rating

Negligible	Low	**Med**	High	Severe

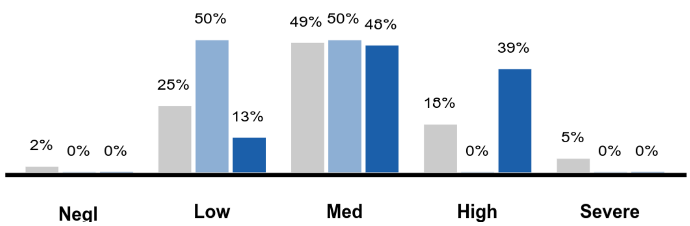
All data and ratings provided by: SUSTAINALYTICS

Data Received On: **April 29, 2024**

Rating Overview

The company is at medium risk of experiencing material financial impacts from ESG factors, due to its medium exposure and average management of material ESG issues. The company is noted for its strong corporate governance performance, which is reducing its overall risk. Despite its management policies and programmes, the company has experienced a high level of controversies.

ESG Risk Rating Distribution



Relative Performance

	Rank*	Percentile*
Global Universe	7404 of 16421	**46th**
Transportation (Industry Group)	230 of 414	**56th**
Rail Transport (Subindustry)	18 of 62	**29th**

** 1st = lowest risk*

Exposure to ESG Risk

Low	**Medium**	High

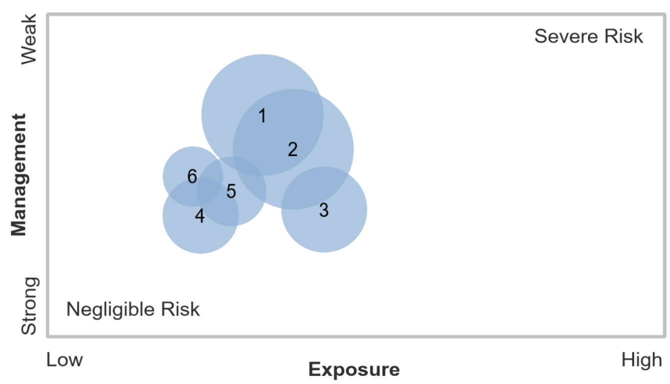
Management of ESG Risk

Strong	**Average**	Weak

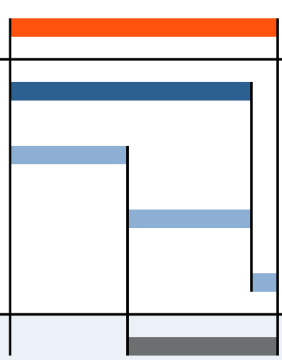
Top Material Issues

	Top Material Issues	ESG Risk Rating
3	1 Product Governance	Med
	2 Corporate Governance	Low
	3 Carbon - Own Operations	Low
	4 Occupational Health and Safety	Low
	5 Human Capital	Low

= Noteworthy Controversy Level



Risk Details



Exposure	
Company Exposure	The company's sensitivity or vulnerability to ESG risks.
Management	
Manageable Risk	Material ESG risk that can be influenced and managed through suitable policies, programmes and initiatives.
Managed Risk	Material ESG risk that has been managed by a company through suitable policies, programmes or initiatives.
Management Gap	Measures the difference between material ESG risk that could be managed by the company and what the company is managing.
Unmanageable Risk	Material ESG risk inherent in the products or services of a company and/or the nature of a company's business, which cannot be managed by the company.
ESG Risk Rating	
Overall Unmanaged Risk	Material ESG risk that has not been managed by a company, and includes two types of risk: unmanageable risk, as well as risks that could be managed by a company through suitable initiatives but which may not yet be managed.

NOTEWORTHY CONTROVERSIES

SEVERE

The Event has a severe impact on the environment and society, posing serious business risks to the company. This category represents exceptional egregious corporate behavior, high frequency of recurrence of incidents, very poor management of ESG risks, and a demonstrated lack of willingness by the company to address such risks.

- **No severe controversies**

HIGH

The Event has a high impact on the environment and society, posing high business risks to the company. This rating level represents systemic and/or structural problems within the company, weak management systems and company response, and a recurrence of incidents.

- **No high controversies**

SIGNIFICANT

The Event has a significant impact on the environment and society, posing significant business risks to the company. This rating level represents evidence of structural problems in the company due to recurrence of incidents and inadequate implementation of management systems or the lack of.

- **Quality and Safety**

PRODUCT INVOLVEMENT*

Thermal Coal

Range: 5-9.9%

The company provides tailor-made products and services that support thermal coal extraction.

NO PRODUCT INVOLVEMENT

Alcoholic Beverages | Oil Sands | Arctic Drilling | Genetically Modified Plants & Seeds | Pesticides | Adult Entertainment | Gambling | Tobacco | Controversial Weapons

* Range values represent the percentage of the Company"s revenue. N/A is shown where Sustainalytics captures only whether or not the Company is involved in the product.

DISCLAIMER

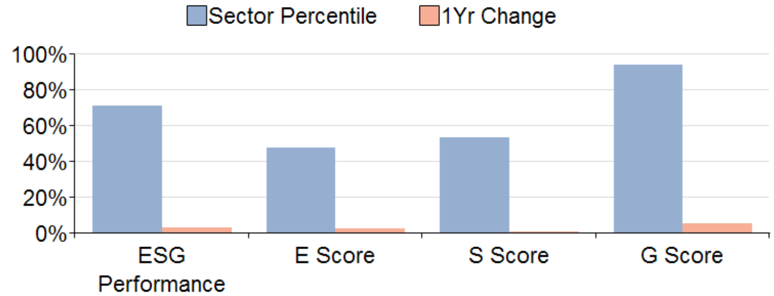
All data and ratings provided by:

SUSTAINALYTICS

https://www.sustainalytics.com/

ESG BOOK PROFILE

Summary of ESG Performance Score



All data and ratings provided by:

esgbook

www.esgbook.com

Country:	United States
Sector:	Transportation
Industry:	Railroads
Data Received:	3/7/2024

ESG Performance Score Details

The ESG Performance Score provides investors and corporates with a systematic and comprehensive sustainability assessment of corporate entities. The score measures company performance relative to salient sustainability issues across the spectrum of environmental, social and governance. The score is driven by a sector-specific scoring model that emphasises financially material issues, where the definition of financial materiality is inspired by the Sustainability Accounting Standards Board (SASB). For more detail please see the ESG Performance Score methodology here.

ESG Performance Score	
Absolute Score	57.5
Sector Percentile	71.4%
1 Year Change	3.2%
2 Year Change	6.7%
3 Year Change	6.6%

	Environmental	Social	Governance
Score	50.8	52.6	69.9
Weight	41.8%	25.5%	32.7%
Sector Percentile	48.0%	53.8%	94.5%
1 Year Change	2.6%	0.1%	5.6%

Risk Score Details

The Risk Score provided by ESG Book assesses company exposures relative to universal principles of corporate conduct defined by the UN's Global Compact. The score is accompanied by a transparent methodology and full data disclosure, enabling users to comprehend performance drivers, explain score changes, and explore associated raw data. Tailored for both investors and corporates, it serves as a universe selection tool for investors identifying companies more exposed to critical sustainability issues, while corporates can use it to assess their exposures, conduct peer comparisons, and pinpoint disclosure gaps. For more detail please see the risk score methodology user guide here.

Risk Score	
Absolute Score	63.0
Sector Percentile	87.1%
1 Year Change	10.5%
2 Year Change	28.5%
3 Year Change	21.6%

	Human Rights	Labour Rights	Environment	Anti-corruption
Score	57.8	66.3	59.1	68.8
Weight	25.0%	25.0%	25.0%	25.0%
Sector Percentile	86.2%	80.9%	70.5%	96.3%
1 Year Change	12.6%	13.5%	8.3%	8.0%

Business Involvements - Over a 5% Revenue Threshold

ESG Book has not found any business involvements for the Company that exceed a 5% revenue threshold.

BITSIGHT CYBERSECURITY RATING PROFILE

Norfolk Southern Group of Companies

COMPARATIVE INDUSTRY:
Transportation

Bitsight Security Rating

Likelihood of Ransomware Incidents

4.6x as Likely vs a **750+** company

Source: [Link to Research]

Likelihood of Data Breach Incidents

2x as Likely vs a **700+** company

Source: [Link to Research]

What is a BitSight Security Rating?

BitSight Security Ratings are a measurement of a company's security performance over time. BitSight Security Ratings are generated through the analysis of externally observable data, leveraging BitSight's proprietary techniques to identify the scope of a company's entire digital footprint. BitSight continuously measures security performance based on evidence of compromised systems, diligence, user behavior, and data breaches to provide an objective, evidence-based measure of performance. This data-driven approach requires no cooperation from the rated company. The Rating is representative of the cybersecurity performance of an entire company, including its subsidiaries, business units, and geographic locations.

EXECUTIVE REPORT

All data and ratings provided by:

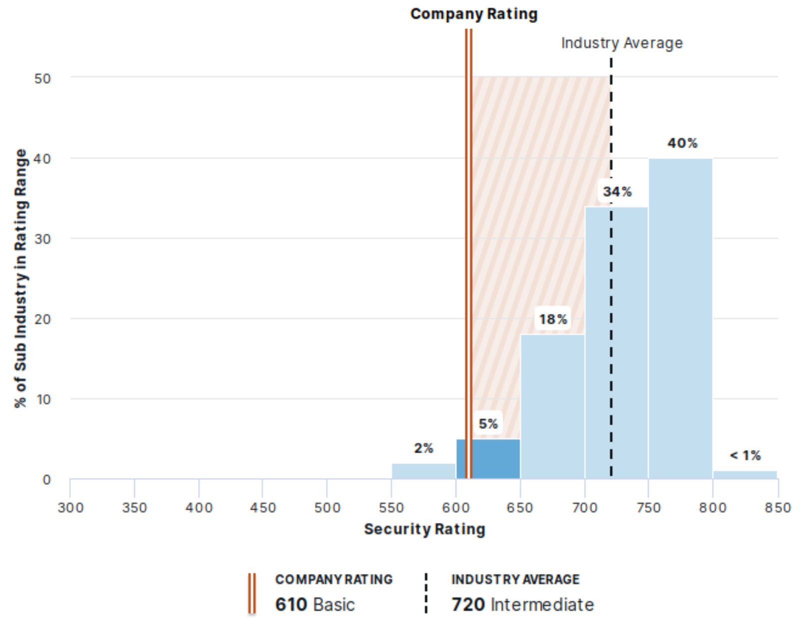
BITSIGHT

Data Received on: **Apr 28, 2024**

PEER ANALYTICS

This compares a company against its industry:

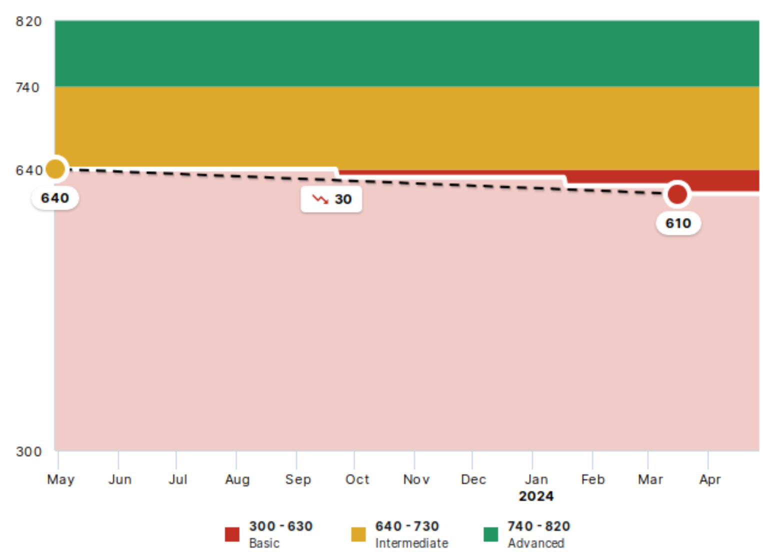
TOTAL COMPANIES	INDUSTRY RATING
6,030	**Bottom 3% of the industry**



PERFORMANCE OVER THE LAST 12 MONTHS

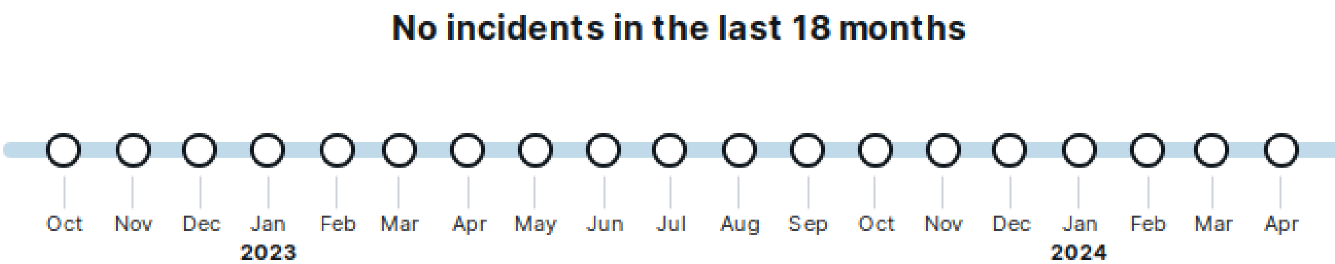
This rating change graph includes all rating changes events, including but not limited to, publicly disclosed security events.

HIGHEST	LOWEST
640 on Apr 29, 2023	**610** on Mar 16, 2024



PUBLICLY DISCLOSED SECURITY INCIDENTS THE LAST 18 MONTHS

Security incidents are publicly disclosed events of unauthorized access, often involving data loss or theft. These events are graded based on several factors, including the number of data records lost or exposed.



ADDITIONAL INFORMATION

Security Rating Overview

BitSight Security Ratings are a measurement of a company's security performance over time. BitSight Security Ratings are generated through the analysis of externally observable data, leveraging BitSight's proprietary techniques to identify the scope of a company's entire digital footprint. BitSight continuously measures security performance based on evidence of compromised systems, diligence, user behavior, and data breaches to provide an objective, evidence-based measure of performance. This data-driven approach requires no cooperation from the rated company. The Rating is representative of the cybersecurity performance of an entire company, including its subsidiaries, business units, and geographic locations.

In some cases, a company may designate one or more subsidiaries, business units or locations as representative of the company's overall digital footprint. In these cases, BitSight flags those companies in its reports as a Primary Rating, meaning that the company has undertaken this optional step in further articulating its digital footprint.

Companies often use Primary Ratings to exclude parts of their digital infrastructure that may not be useful in describing their cyber risk and resulting security posture. As examples, Primary Ratings often exclude guest wireless networks, security test environments, or networks used for customer hosting. BitSight does not validate Primary Ratings or whether the digital assets organizations exclude in creating Primary Ratings are properly excluded, nor does it validate the predictive quality of Primary Ratings. Go to this web page for more information about Primary Ratings.

BitSight rates companies on a scale of 250 to 900, with 250 being the lowest measure of security performance and 900 being the highest. A portion of the upper and lower edge of this range is currently reserved for future use. The effective range as of this report's generation is 300-820. Go to this web page to learn more about how BitSight security ratings are calculated.

Rating Algorithm Update (RAU)
BitSight periodically makes improvements to its ratings algorithm. These updates often include new observation capabilities, enhancements to reflect the rapidly changing threat landscape, and adjustments to further increase quality and correlation with business outcomes. BitSight's Rating and Methodology Governance Board governs these changes so that they adhere to BitSight's principles and policies. BitSight also has a Policy Review Board which reviews and arbitrates customer disputes associated with its ratings. More information about the Policy Review Board and its cases can be found here. Additionally, BitSight provides a preview of ratings algorithm changes customers (and what the likely impact will be) well before they affect the the live ratings, inviting comments and feedback on these changes.

Publicly Disclosed Security Incidents
The Security Incidents risk vector involves a broad range of events related to the unauthorized access of a company's data. BitSight collects information from a large number of verifiable sources such as news organizations and regulatory reports obtained via Freedom of Information Act requests or local analogs. This risk vector only impacts BitSight Security Ratings if a confirmed incident occurs. For more information about publicly disclosed security incidents and how BitSight ratings are calculated, please go here.

Disclaimer