

NORFOLK SOUTHERN CORPORATION

CHARTER OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS

Committee's Role and Purpose

The Compensation Committee is a standing committee, the chair and members of which are appointed annually by the Board of Directors. Directors appointed to serve on the Committee must be independent, as defined by the Board of Directors and rules of the New York Stock Exchange, and serve until they are removed or replaced by the Board of Directors. The Committee establishes procedures and acts by majority vote when at least a quorum is present. The Committee will report its actions and deliberations to the Board of Directors as soon as practical.

As authorized by the Board of Directors, the Committee shall review and make recommendations to the Board of Directors considering the compensation levels, plans and programs for the directors, Chief Executive Officer and those officers whose salaries are fixed by the Board of Directors.

Principal Committee Duties, Responsibilities and Powers

Among the Committee's principal powers and authorities are the following:

- 1. Oversee the services, activities and independence of the Committee's compensation consultants.** To carry out this responsibility, to the extent required by law or otherwise as the Committee deems appropriate, the Committee:
 - has the sole authority to retain and terminate any compensation consultant or other advisor the Committee uses to evaluate executive compensation matters and to approve the fees and retention terms for any such consultant or advisor;
 - must approve such consultant's performance of any additional work for Norfolk Southern Corporation, or be informed of the approval of such additional work by the Chair of the Committee, and review fees and/or invoices for such additional work annually;
 - shall review annually whether the Committee's compensation consultants and other advisors have relationships with the Corporation or individual directors that would present a conflict of interest, and whether the Committee's compensation consultants and other advisors have controls and procedures in place to prevent conflicts of interest.

2. Review the overall compensation strategy of the Corporation. To the extent it deems appropriate, the Committee shall:

- review the short-term and long-term compensation strategy, plans and programs of the Corporation in comparison to the compensation practices of other holding companies of Class I railroads and other American corporations of comparable size, utilizing the services of Corporation personnel or outside consultants as needed, and recommend necessary or desirable changes to the Board of Directors;
- review the compensation strategy, plans and programs of the Corporation to ensure that the design of the plans and programs does not encourage unnecessary or excessive risk taking; and
- consider the compensation program in light of relevant provisions of the Internal Revenue Code and any other laws or regulations relevant to the selection of a compensation package.

3. Review the individual compensation of directors and executive officers. To the extent it deems appropriate, the Committee shall:

- evaluate the compensation of the directors and make recommendations to the Board of Directors on the appropriate level and form of compensation;
- recommend to the Board of Directors the compensation of the Chief Executive Officer, considering the performance of the Chief Executive Officer relative to corporate goals and objectives set by the Committee, the performance of the Corporation and relative shareholder returns, the base salaries of chief executive officers of other holding companies of Class I railroads and such other factors as the Committee may deem appropriate;
- make recommendations to the Board of Directors regarding any shareholder advisory vote on executive compensation, and consider the results of any shareholder advisory vote on executive compensation in connection with its review of the executive compensation strategy, plans and programs of the Corporation; and
- recommend to the Board of Directors the compensation of the executive officers other than the Chief Executive Officer, considering the recommendations of the Chief Executive Officer and such other factors as the Committee may deem appropriate.

4. Oversee such management incentive compensation plans, deferred compensation plans, long-term incentive plans and other similar executive compensation plans as the Board of Directors may adopt and grant, recommend or approve awards as may be permitted under such plans. To the extent it deems appropriate, the Committee shall:

- review the Corporation’s management incentive plans, deferred compensation plans, long-term incentive plans and other similar executive compensation plans and recommend to the Board of Directors any necessary or desirable changes;
 - establish performance standards for performance-based awards granted under long-term and/or performance-based management incentive plans or other similar executive compensation plans;
 - grant or recommend to the Board of Directors awards under the executive compensation plans, as may be permitted by such plans, taking into consideration the total compensation and mix of compensation for comparable officers in other holding companies of Class I railroads and other American corporations of comparable size; and
 - consider, as necessary, any potential adjustment or recovery of incentive awards or payments, consistent with applicable law or regulation.
- 5. Oversee the design of employee retirement plans of the Corporation and recommend to the Board of Directors amendments to such plans as it deems appropriate.**
 - 6. Make any other compensation decisions for which it is desirable to achieve the protections afforded by Section 162(m) of the Internal Revenue Code, Rule 16b-3 of the Securities Exchange Act of 1934 or by other laws or regulations that may be or become relevant in this area and in which only “disinterested” directors may participate.**
 - 7. Review and discuss with management and, in the discretion of the Committee, any outside advisor(s) retained by the Committee, the Corporation’s disclosures under the Compensation Discussion & Analysis (the “CD&A”), and based on such review and discussion, submit a Compensation Committee Report recommending to the Board whether the CD&A should be included in the Corporation’s annual proxy statement or annual report on Form 10-K.**
 - 8. Appropriately record deliberations and decisions of the Committee and regularly report to the Board of Directors the Committee’s activities and conclusions with respect to the principal matters it has considered. The Committee shall evaluate its performance as a committee at least annually, considering such issues as the effectiveness of the Committee, its size and composition, the quality of information and presentations given by management, the suitability of its duties and such other issues as the Committee deems appropriate.**

Dated: July 22, 2014