

RETIREMENT PLAN OF  
NORFOLK SOUTHERN CORPORATION AND  
PARTICIPATING SUBSIDIARY COMPANIES

CONSENT OF BOARD OF MANAGERS

PROCEDURES GOVERNING  
QUALIFIED DOMESTIC RELATIONS ORDERS  
As Amended Effective October 14, 2005

The undersigned, being all the members of the Board of Managers of the Retirement Plan of Norfolk Southern Corporation and Participating Subsidiary Companies (Plan), do hereby consent to, approve and adopt the following amended procedures:

The following procedures are hereby established pursuant to Section 206(d)(3)(G)(ii) of ERISA, as amended, to govern Qualified Domestic Relations Orders:

1. The proper name of the Plan is: Retirement Plan of Norfolk Southern Corporation and Participating Subsidiary Companies (the Plan).
2. The name and address of the Plan Administrator is:

Board of Managers  
Retirement Plan of Norfolk Southern Corporation  
Three Commercial Place  
Norfolk, VA 23510-9228

3. Upon receipt of a Domestic Relations Order, the Secretary of the Plan or his or her designee shall promptly notify each person specified in the order who is entitled to, or seeks to be entitled to, the payment of benefits under the Plan (Plan participant and alternate payee) regarding: (1) receipt of the order, (2) Plan procedures for determining whether the order is qualified, and (3) the right of an alternate payee to designate a representative for receipt of copies of any notices sent to the alternate payee.

Within a reasonable period of time after receipt of a Domestic Relations Order, the Secretary of the Plan shall determine whether the order is a Qualified Domestic Relations Order and he or she or a designee shall notify the Plan participant and each alternate payee of that determination.

4. The Secretary of the Plan shall find that an order is a Qualified Domestic Relations Order only if the order conforms to the requirements of ERISA Sections 206(d)(3)(B), (C), (D) and (E), and any regulations issued pursuant thereto. In particular, the order must:
  - a) Be a judgment, decree or court order (including a court approval of a property settlement agreement) made pursuant to state domestic relations law (including community property law) that relates to the provision of child support, alimony or marital property rights of an alternate payee;
  - b) Specify the Plan by name;
  - c) Specify the Plan participant by name and mailing address;
  - d) Specify the alternate payee by name and mailing address (the alternate payee must be a spouse, former spouse, child or other dependent of the Plan participant);
  - e) Create or recognize the alternate payee's right to, or assign to an alternate payee the right to, receive all or part of the participant's benefits under the Plan;
  - f) Clearly state to which qualified plan and to which alternate payee each provision is intended to address, if the order is intended to cover more than one qualified plan or alternate payee;
  - g) Specify the amount or percentage of the participant's benefit to be paid by the Plan to the alternate payee (or clearly designate the manner to determine the amount or percentage) by providing the alternate payee either a portion of the participant's accrued vested benefit as of a certain date or a portion of the participant's benefit at retirement;
  - h) Not require that the total benefits payable to the alternate payee exceed the vested amount of the Plan participant's benefit;
  - i) Not require the Plan to provide any type or form of benefit, or any other option, not otherwise provided under the Plan;
  - j) Not require the Plan to provide increased benefits (determined on the basis of actuarial value); and
  - k) Not require the payment of benefits to an alternate payee which are required to be paid to another alternate payee under another order previously determined to be a qualified domestic relations order.

5. The following requirements apply to the order, in addition to the requirements stated above:
  - a) In the event that an alternate payee is a minor or legally incompetent, the order should include the name and address of the alternate payee's legal representative;
  - b) Although not required to constitute a domestic relations order under ERISA section 206(d), plan administration will be simplified and the order can be processed faster if the order specifies the participant's and each alternate payee's social security number;
  - c) If the Plan participant has died, the order may not actuarially increase the Plan's liability above that which existed on the date of the Plan participant's death.
6. The commencement of the alternate payee's benefit should be defined in the order (for example, a specific date or "commencing upon the alternate payee's election not earlier than the participant's earliest retirement date").
7. The *form* of the alternate payee's benefit should be specified in the order. The form may be payments made as an annuity based on the alternate payee's life or the Plan participant's life, and the order should specify whether survivor benefits are assigned. The assigned benefit may not be paid to the alternate payee in the form of a joint and survivor annuity. The order may not require a lump sum payment unless the present value of the alternate payee's benefit is less than \$9,000. If the present value of the alternate payee's benefit does not exceed \$5,000 and is immediately distributable, the alternate payee's benefit will be distributed as soon as administratively feasible in a lump sum payment.
  - a) If the benefit is paid in the form of an annuity based on the alternate payee's life, then the alternate payee's benefit will be established at the time the order is qualified and survivor benefits may not be awarded. In the event the Plan participant predeceases the alternate payee and neither the Plan participant's nor the alternate payee's benefit has commenced, the order may require the alternate payee's benefit to commence upon the later of the Plan participant's death or the Plan participant's attainment of age 55, if that is the intent of the parties.
  - b) If the assigned benefit is in the form of an annuity based on the Plan participant's life, survivor benefits may be awarded and the order should specify whether the alternate payee's designation as the surviving spouse applies to the alternate payee's portion of the benefit, the entire benefit, or some other specified portion of the benefit.

8. The Secretary of the Plan, or his or her designee, may agree to review a draft or proposed domestic relations order (that is, a domestic relations order that is not yet effective as a judgment, order or decree because, for example, it has not been signed by a judge or other court official). **Draft or proposed documents are not, however, subject to the procedures specified herein because they do not constitute a “domestic relations order” within the meaning of section 206(d)(3)(B)(ii) of ERISA.** Thus, the determination of whether a draft order will satisfy the requirements to be a Qualified Domestic Relations Order will not be made, and assets will not be segregated under paragraph 10 of these procedures, until the Secretary of Plan, or his or her designee, receives an actual judgment, order or decree (for example, an order that has been signed by a judge or other court official).
9. If the Secretary of the Plan is provided a divorce order (or other domestic relations order) that grants a spouse, former spouse, child or other dependent a right to receive a portion of the Participant’s benefit under the Plan, the order will be subject to these procedures even if the order would not qualify as a QDRO because it does not fully comply with ERISA section 206(d)(3).
10. If a Plan participant’s benefits are in pay status or if an alternate payee’s benefits would be in pay status under the Domestic Relations Order, then during any period in which the issue of whether a Domestic Relations Order is a Qualified Domestic Relations Order is being determined by the Secretary of the Plan or a court of competent jurisdiction, the Secretary of the Plan shall segregate in a separate account in the Plan or in an escrow account such amounts as would be payable to the alternate payee during such period if the order is determined to be a Qualified Domestic Relations Order. The period for which a Plan participant’s accounts may be so segregated shall not exceed 18 months.
11. If the Secretary of the Plan shall find an order not to be a Qualified Domestic Relations Order, he or she or a designee shall notify the Plan participant and each alternate payee of that determination and shall include a brief summary of his or her reasons for finding the order not qualified. The alternate payee, the participant or a representative of either has sixty-days following the date of such determination to notify the Secretary of the Plan whether he or she will modify and resubmit the order for a determination as to its status as a Qualified Domestic Relations Order. If the Secretary of the Plan is notified within the sixty-day period that an order will be resubmitted, the Secretary shall continue to delay the payment of the participant’s benefits as specified in paragraph 10 of these procedures.

12. If the Secretary of the Plan shall find an order to be a Qualified Domestic Relations Order, he or she or a designee shall notify the Plan participant and each alternate payee of that determination. The Secretary of the Plan shall further advise each alternate payee and the Plan participant regarding the amount and manner of payment of benefits to which each alternate payee is entitled under the Plan pursuant to the terms of the Qualified Domestic Relations Order. If the payments are to be made in the form of an annuity, benefits will not be distributed to an alternate payee under a QDRO until the Secretary of the Plan or his or her designee receives a properly-completed direct deposit form for the benefits provided by the Plan. If the Secretary of the Plan determines that an order is a Qualified Domestic Relations Order, then all assets that are separately accounted for shall be distributed to the alternate payee as specified in the order. No interest is payable on amounts that were separately accounted for under paragraph 10 of these procedures.
13. If the distribution to the alternate payee would be an eligible rollover distribution if made to the Plan participant, the alternate payee will be provided with a notice under section 402(f) of the Internal Revenue Code, and mandatory federal income tax withholding shall apply if the alternate payee does not elect a direct rollover.

The elective withholding rules applicable to distributions from qualified plans that are not eligible rollover distributions will apply to a distribution to an alternate payee who is a child or other dependent (see IRS Notice 89-25, Q&A-3 & 4), or to any distributions to a spouse or former spouse that is not an eligible rollover distribution.

14. Neither these procedures, nor any instance in which these procedures are not followed, create any legal rights for Plan participants, their spouses or former spouses, children, dependents, or any other parties. Although the Secretary of the Plan will make effort to apply these procedures in a uniform and consistent manner, the Secretary may take different positions on different domestic relations orders because the particular facts and circumstances of each individual domestic relations order, as well as the nature of the dispute among the parties, varies in each situation.
15. The Board of Managers of the Plan will have the right to amend or modify these Procedures at any time without notice to any party; provided, however, that the Board will make a copy of the amended or modified procedures available to each party to a pending determination of whether an order is a Qualified Domestic Relations Order. No amendment or modification, unless required by law or applicable regulation, will cause an order previously determined to be a Qualified Domestic Relations Order to fail to retain that status.