

**NORFOLK SOUTHERN RAILWAY COMPANY**

**VISION: BE THE SAFEST, MOST CUSTOMER-FOCUSED  
AND SUCCESSFUL TRANSPORTATION COMPANY IN THE WORLD**

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**NS CONDITIONS OF CARRIAGE #1-E  
CANCELS  
NS CONDITIONS OF CARRIAGE #1-D**

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- TERMS AND CONDITIONS -  
FOR  
RAIL TRANSPORTATION OF COMMODITIES  
MOVING IN INTERSTATE AND INTRASTATE COMMERCE  
VIA  
NORFOLK SOUTHERN RAILWAY AND ITS AFFILIATED LINES SHOWN HEREIN

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EFFECTIVE JUNE 1, 2003

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Issued By  
D. D FISHER, DIRECTOR  
MARKETING SERVICES - NORFOLK SOUTHERN CORPORATION  
110 Franklin Road, S.E.  
Roanoke, VA 24042-0047

CHECK SHEET OF EFFECTIVE PAGES

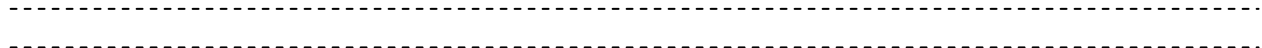
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EFFECTIVE DECEMBER 15, 2011



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▲ - Change in wording which results in neither increase nor reduction in charges.

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REFERENCE TO "NS" OR "NORFOLK SOUTHERN RAILWAY COMPANY" HEREIN INCLUDES THE  
FOLLOWING SUBSIDIARIES AND AFFILIATED CARRIERS

Norfolk Southern Railway Company  
Atlantic and East Carolina Railway Company  
Camp Lejeune Railroad Company  
Chesapeake Western Railway  
Central of Georgia Railroad Company  
Georgia Southern and Florida Railway Company  
State University Railroad Company  
The Alabama Great Southern Railroad Company  
The Cincinnati New Orleans and Texas Pacific Railway Company  
Tennessee, Alabama & Georgia Railway Company  
Tennessee Railway Company

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SECTION 1  
RULES

**RULE 100 - DEFINITIONS**

**Held in Route**

Held in Route is defined as any car, moving on a through rate, that is held in route because of any condition attributable to the consignor, consignee, or owner, including but not limited to storage, partial unloading, to finish loading, or fabrication.

**Diversion / Reconsignment**

Diversion is defined as any order received by NS that requires a change in the billing/shipping document that changes the original destination of a shipment or empty car.

Reconsignment is defined as any order received by NS that requires a change in the party responsible for payment of transportation charges of a shipment or empty car.

**Private Equipment**

A rail car not bearing Railroad reporting marks.

**Shipper/Consignor**

Shipper and Consignor shall have the same meaning for the purposes of these Conditions of Carriage. The Shipper is the party that enters into the contract of carriage with NS or the originating rail carrier. The Shipper may be acting on its own behalf or on the behalf of another party; however, whether as principal or agent, the Shipper is bound in its own right to the terms and obligations of these Conditions of Carriage. The Shipper might or might not be the owner of the lading. When acting as a disclosed or undisclosed agent, the Shipper binds not only itself but also its principal to the terms and obligations of these Conditions of Carriage. The Shipper may file a claim with NS for loss or damage to lading under Rule 290 below.

**Consignee**

The Consignee is the party entitled to receive the lading under the bill of lading contract regardless of whether the lading is actually delivered to an "in care of" or other party pursuant to the directions of the Shipper or Consignee. The Consignee may file a claim with NS for loss or damage to lading under Rule 290 below. By accepting a shipment or by the acceptance of the shipment by a party on behalf of or by direction of the Consignee, the Consignee agrees to be bound by the terms and conditions of these Conditions of Carriage.

**Payor**

The Payor is the party primarily responsible for the payment of freight and other charges arising pursuant to these Conditions of Carriage. The Payor may be the Shipper, Consignee or some other party who has entered into a credit or payment arrangement with NS pursuant to Rule 300 below.

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SECTION 1  
RULES

**▲ RULE 110 - APPLICATION OF REFERENCED PUBLICATIONS**

Except where (i) inconsistent with a provision of this document or (ii) inconsistent with governing contractual terms specifically agreed to by NS or (iii) otherwise inapplicable under their own terms, the rules, regulations, charges and allowances of the following named publications shall, along with the terms of carriage specified herein, apply to all rail transportation undertakings of NS as specified in Rule 120 herein and as such are hereinafter incorporated by reference herein.

- Municipal Solid Waste, Contaminated Soil, Hazardous Materials, and Related Articles NS 6306
- Official Railroad Station List OPSL 6000 Series
- Standard Transportation Commodity Code STCC 6001 Series
- Official Railway Equipment Register RER 6412 Series
- Mileage Allowance and Rules RIC 6007 Series
- Uniform Freight Classification UFC 6000 Series
- NS Switching NS 8001 Series (See Rule 130)
- Rules and Charges on Accessorial Services NS 8002 Series
- Demurrage Rules and Charges, NS 6004 Series
- Hazardous Materials Shipping Descriptions (49-series STCC numbers)
- Bureau of Explosives Rules BOE 6000
- NS Currency Exchange Regulations on International Traffic NS 6316
- NS Canadian Car Demurrage Tariff (for traffic within Canada) NS 6500
- Heavy Duty Flat Car Charges RIC 6740
- Rules for Export Declarations & Customs Manifests, etc. RPS 6571
- AAR Loading Rules and/or Norfolk Southern Loading Rules

References to specific publications herein include successor publications.

**RULE 120 - GENERAL APPLICATION**

(1) The provisions of this Document apply (a) to transportation when such transportation (i) originates on NS and (ii) moves under single line rates or single factor joint line through rates offered by NS itself or in conjunction with a connecting railroad as an exempt rate or as a regulated common carrier rate; and (b) to the NS portion of through movements under AAR Accounting Rule 11 or other combination or proportional exempt or common carrier rates. In the absence of a separate contract specifically covering the transportation, the terms and conditions of these Conditions of Carriage constitute a unilateral offering of such terms and conditions of a bilateral contract between NS and its connecting lines on the one hand, and the user of the transportation service on the other upon acceptance by such user. Subject to the qualifications set forth in subsection (2) below, tender of shipments to the originating carrier shall constitute acceptance of both the terms of service as set out in these Conditions of Carriage and the rate governing the shipment.

(Continued on following page)

▲ - Change in wording which results in neither increase nor reduction in charges.

EFFECTIVE SEPTEMBER 1, 2007

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SECTION 1  
RULES

◆ **RULE 120 - GENERAL APPLICATION** (Concluded)

(2) Except where specifically provided otherwise by the governing contract or rate quotation, the rate or rates for shipments moving under a single line rate or single factor joint line through rates where the transportation originates on NS do not include non-linehaul services (including, but not limited to demurrage, drayage, diversion, inspection, reconsignment, stopping, storage, switching, transfer weighing and other terminal or accessorial services). Such services performed by NS shall be governed by Rule 200 of these Conditions of Carriage. Such services performed by non-originating carrier or carriers shall be governed by the offering comparable to the NS Condition of Carriage of the carrier performing these services and will be billed and collected by the carrier performing the services.

(3) When NS is not the originating carrier, but does participate in a movement under single factor or joint through rates, the Conditions of Carriage or comparable offering of the originating carrier shall, along with the exempt or common carrier rates, apply to such transportation performed by NS unless specified otherwise in the terms of a rate quotation or separate contract specifically covering the transportation involved. When such originating carrier does not issue or have in effect such an offering, the terms of carriage contained herein shall apply. Terms of these Conditions of Carriage not inconsistent with the origin carrier's contract or offering shall also apply.

(4) The provisions of this Document are not applicable to shipments moving in TOFC or COFC intermodal service or to shipments of coal, coke and iron ore.

(5) If a shipment is tendered with different or additional terms and conditions submitted by Shipper, such different or additional terms and conditions shall be deemed rejected by NS unless electronically confirmed, or agreed in a document executed on behalf of NS by a Marketing Group Vice-President of NS, regardless of whether the shipment is accepted or moved by NS

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EFFECTIVE JANUARY 28, 2005

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SECTION 1  
RULES

**RULE 130 - ROUTING VIA NORFOLK SOUTHERN**

(1) Except as otherwise specified, rates applicable via NS apply only over the most direct lines of NS, forming the shortest possible NS mileage, from the first point at which NS receives the shipment (from consignor or other railroad) to the last point at which NS delivers the shipment (to consignee or other railroad). NS reserves the right to actually handle shipments via any route over NS lines. If customer requests movement over NS lines where mileage exceeds the shortest possible NS distance, shipment will be subject to a combination of rates applying via the route requested by customer.

(2) When shipment is made in heavy duty flat cars, or in special train service, rates will be applicable via the actual route of movement.

**RULE 140 - ABSORPTION OF CONNECTING LINE SWITCHING**

Rates making reference to this document will include full absorption of connecting line reciprocal switching unless otherwise agreed to in separate contracts, tariffs, or stated in a rate quotation.

**RULE 150 - BILL OF LADING**

Services provided by NS and other rail carriers are subject to these Conditions of Carriage and shall also be subject to the terms of the Uniform Bill of Lading as contained in the Uniform Freight Classification UFC 6000 Series. Such services are subject to modifications as may from time to time be established under separate agreement or by changes to these Conditions of Carriage, and irrespective of whether a Bill of Lading is actually executed pursuant to Rule 200.

Except where in conflict with the terms and conditions of a written contract between NS and Shipper, the terms and conditions of these Conditions of Carriage shall govern all transportation services provided by NS to Shipper. In the event of a conflict between the terms and conditions of these Conditions of Carriage and the terms and conditions of a written contract between NS and User, the terms and conditions of the written contract shall take precedence over these Conditions of Carriage. The order of precedence for the application of terms and conditions for transportation services provided by NS shall be as follows:

- (1) Written Contract
- (2) NS Customer Specific Rate Quotation
- (3) General Rate Tariffs and General NS Rate Quotations
- (4) Conditions of Carriage
- (5) Rule 110 Publications
- (6) Uniform Bill of Lading

**RULE 200 - TRANSPORTATION SERVICES**

(1) Shipper will notify NS when loading of equipment is completed and ready for movement or when loaded equipment is made empty and ready for release to NS. Unless otherwise mutually agreed upon by Shipper and NS, Shipper shall prepare and both parties shall execute the transportation documents to cover the line haul transportation service requested by Shipper. Shipper will provide instructions for the transportation services requested for the shipment. NS will arrange for transportation and delivery in accordance with instructions shown on the bill of lading, which instructions shall be governed by these Conditions of Carriage.

(Continued on following page)

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SECTION 1  
RULES

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**RULE 200 - TRANSPORTATION SERVICES** (Concluded)

(2) Shipper will arrange separately with NS independent of the bill of lading for non-linehaul accessorial services such as weighing, and such other services as may be referenced in the publications listed in Rule 110. Unless specifically agreed to by NS, NS will not be liable for any loss, damage, cost or expense arising in connection with such services performed by parties other than NS.

**▲ RULE 210 – LOADING OF EQUIPMENT AT RAIL ORIGIN; UNLOADING AND RELEASE OF EQUIPMENT AT RAIL DESTINATION**

(1) Shippers are responsible to inspect rail equipment for suitability before loading and are responsible for rejecting cars which are unsuitable for the transport of the particular lading. Cars which are mechanically defective must not be loaded but must instead be released back to NS as "Reject Release Empty".

(2) (a) Upon arrival and placement of equipment for unloading at destination, consignee will be responsible for unloading such equipment in a manner which does not damage the equipment, and for releasing equipment in a condition clean of debris and material not part of such equipment and suitable for reloading by another shipper. (cars released in other than clean condition will be subject to the provisions published in Tariff NS 8002-A series, Item 6500). Cars which are mechanically defective or not suitable for reloading by another shipper must be released back to NS as "Reject Release Empty".

(2) (b) Where NS is the delivering carrier, consignee must advise NS Operations and Service Support (OSS) by Pacesetter or other electronic means, telephone or other such form as may be required by NS, that the equipment is unloaded and available for release. Information provided must include identity of consignee, name of person furnishing data, and car initial and number. Equipment will be considered released on the date and time such advice is received from the consignee.

**RULE 230 - TRANSPORTATION CHARGES TO APPLY**

(1) The charges applicable to the transportation from origin to destination will be those established by either the governing quotation, contract or tariff on the bill of lading date for the shipment in issue. Any change to the information of the bill of lading (including, but not limited to, the shipper, consignee, origin or destination) shall be invalid and without effect unless received and approved by Norfolk Southern Operations and Service Support. Any such change to the bill of lading must be transmitted to Norfolk Southern in such form as may be required by NS (including, but not limited to, telephone and facsimile) and may be subject to additional charges pursuant to NS 8002 Series.

(2) If it is ascertained that the commodity shipped is not as described on the bill of lading or other shipping document, NS at its option may (a) return such shipment to shipper at origin at a charge equal to the charge that would have applied had the commodity been properly described and transported to the destination named in the bill of lading; (b) choose to move said shipment to the destination named in the bill of lading or other shipping document at the transportation rate quoted; or (c) choose to move said shipment to the destination named in the bill of lading or other shipping document at a charge equal to the charge that would have applied had the commodity been properly described. plus an additional charge of \$350.00.

**RULE 240 - TRANSIT, DIVERSION, RECONSIGNMENT**

Except as specifically agreed upon, NS will not provide transit or stop-off privileges but will provide diversion or reconsignment as provided for in the publications listed in Rule 110. Provisions of Rules 29 and 24 of UFC 6000-Series will not apply. (see Item 100 for definition of transit, diversion, and reconsignment)

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▲ - Change in wording which results in neither increase nor reduction in charges.

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EFFECTIVE JANUARY 1, 2012

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SECTION 1  
RULES

**RULE 250 - PAYMENT OF TRANSPORTATION CHARGES**

Shipper or consignee shall be liable for payments of the transportation charges accruing on a shipment as established by law and these Conditions of Carriage, and nothing herein shall limit the right of NS to require at time of shipment the prepayment or guarantee of charges. Shipper will pay NS if shipment is prepaid, or be responsible for payment if shipment is made collect, and pay immediately upon presentation of a bill therefor by NS unless credit has been granted pursuant to Rule 300 of these Conditions of Carriage. If shipper or consignee has entered into an agreement for credit with NS, the terms and conditions of the credit agreement will supersede any prepayment or payment upon demand requirement. If transportation charges have not been prepaid, or shipper or consignee has not entered into an agreement for credit with NS, NS shall not make delivery of the shipment without payment or guarantee by shipper or consignee of all charges. Placement of equipment by NS under credit agreement for unloading shall be deemed acceptance of shipment for the purpose of incurring freight charges under a credit agreement.

Acceptance of shipment by consignee or beneficial owner shall be deemed acceptance of responsibility for payment of all charges accruing on the shipment, including, but not limited to, demurrage and switching services performed at destination. Such payment shall be in U.S. money and cannot be reduced to offset claims, damages to property, or for other reasons.

Demurrage, switching and other accessorial and/or incidental charges are payable by Shipper and/or consignee as applicable pursuant to the publications set out in Rule 110 above.

**◆ RULE 255 - FUEL SURCHARGE**

In the event the average monthly price of West Texas Intermediate Crude Oil exceeds \$23.00 per barrel calculated using the daily prices published in the Wall Street Journal Norfolk Southern will assess a fuel surcharge on all linehaul freight charges (as set forth below, the "WTI Average Price").

The applicable fuel surcharge percentage shall be applied to each shipment having a bill of lading dated on or after the 1st day of the second calendar month following the calendar month of a given WTI Average Price Calculation. The fuel surcharge will change monthly per the table below.

Calendar Month of WTI Average Price	Fuel Surcharge Applied
January	March 1
February	April 1
March	May 1
April	June 1
May	July 1
June	August 1

Calendar Month of WTI Average Price	Fuel Surcharge Applied
July	September 1
August	October 1
September	November 1
October	December 1
November	January 1
December	February 1

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◆ - Increase

EFFECTIVE MARCH 1, 2004

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SECTION 1  
RULES

◆ **RULE 255 - FUEL SURCHARGE** (Concluded)

The fuel surcharge will be 0.4% of the linehaul freight charge for every \$1.00 per barrel, or portion thereof, by which the WTI Average Price exceeds \$23.00. The WTI Average Price for a given calendar month will be determined by adding the daily West Texas Intermediate Crude Oil prices published in the Wall Street Journal during a calendar month, and dividing the result by the number of days so published in that given month. The result will be rounded to the nearest cent. If the Wall Street Journal ceases publication of the price of West Texas Intermediate Crude Oil, NS will employ a suitable substitute source of price or measure. The following schedule reflects the applicable fuel surcharge within the WTI Average Price ranges noted below.

WTI Average Price Per Barrel	Fuel Surcharge Percentage
\$23.00 and below	No Surcharge
\$23.01 - \$24.00	0.4%
\$24.01 - \$25.00	0.8%
\$25.01 - \$26.00	1.2%
\$26.01 - \$27.00	1.6%
\$27.01 - \$28.00	2.0%
\$28.01 - \$29.00	2.4%
\$29.01 - \$30.00	2.8%
\$30.01 - \$31.00	3.2%
\$31.01 - \$32.00	3.6%
\$32.01 - \$33.00	4.0%
\$33.01 - \$34.00	4.4%
\$34.01 - \$35.00	4.8%
\$35.01 - \$36.00	5.2%

WTI Average Price Per Barrel	Fuel Surcharge Percentage
\$36.01 - \$37.00	5.6%
\$37.01 - \$38.00	6.0%
\$38.01 - \$39.00	6.4%
\$39.01 - \$40.00	6.8%
\$40.01 - \$41.00	7.2%
\$41.01 - \$42.00	7.6%
\$42.01 - \$43.00	8.0%
\$43.01 - \$44.00	8.4%
\$44.01 - \$45.00	8.8%
\$45.01 - \$46.00	9.2%
\$46.01 - \$47.00	9.6%
\$47.01 - \$48.00	10.0%
\$48.01 - \$49.00	10.4%
\$49.01 - \$50.00	10.8%

Notice will be published on NS's web page at [www.nscorp.com](http://www.nscorp.com).

◆ - Increase

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SECTION 1  
RULES

**RULE 280 - OVERCHARGE, OVER COLLECTION OR DUPLICATE PAYMENT CLAIM PROVISIONS**

(1) Claim requirements, time limits. NS will accept a whole or partial claim for overcharge, over collection or duplicate payment only if the claim is in writing and contains sufficient information for NS to conduct an investigation, including the name of the claimant (which must be the payer); claim number, the amount of the claim; the freight bill; freight bill payment information and supporting documents, which show, among other things, that NS collected all of the charges at issue and, in the case of overcharges, the rate, weight, commodity description and supporting authority (quotation, etc.) claimed to be applicable. The claim must be filed within three (3) years of the date of delivery or tender of delivery by NS or delivering rail carrier of the subject shipment.

(2) Where the movement over NS form a segment of a through movement involving other carriers and time limitations for filing overcharge claims differ among the carriers involved in the through movement, the time limitation contained in the comparable offering of the origin carrier will apply for overcharge claims against NS if inconsistent with these Conditions of Carriage.

**RULE 290 – LOSS OF AND DAMAGE TO SHIPMENTS**

**(1) General**

(a) Unless modified in a transportation contract or a general or customer specific rate quotation, NS will assume liability for loss and damage under the terms of 49 USC 11706 and the terms of the Uniform Bill of Lading as specified in Rule 150 herein. Where provisions maintained by other railroad parties to the through route differ from those provided herein, the level of liability assumed by the origin carrier will apply; provided, however, that such level of liability shall not exceed the level of liability assumed under the Carmack Amendment.

(b) As a condition precedent to any right to recovery for loss, damage, or delay to cargo, a written claim must be filed within nine (9) months after delivery of a shipment (or if delivery is not made, within nine (9) months after a reasonable time for delivery). A claim must include a demand for payment of a specific amount and information sufficient to identify the shipment, as described in this Rule. A claim may be filed by either the Shipper or the Consignee. Any other party who desires to file a claim with NS must secure first an assignment of claim from the Shipper or Consignee.

# (c) NS does not guarantee delivery by a particular train or within a particular time and does not guarantee rail service on any schedules of any kind, whether published, projected or implied. NS shall have no liability for failure to transport any shipment by any particular train or in time for any particular market regardless of whether NS knew or should have known of a need or expectation for such transport. Furthermore, NS does not guarantee the providing of empty railcars in accordance with any schedule regardless of whether NS knew or should have known of the need for such empty railcars. Unless otherwise expressly agreed to by NS and the party with whom NS has contracted (the consignor or consignee, as the case may be) in a writing executed by both parties, NS will transport property with reasonable dispatch in accordance with the Uniform Bill of Lading.

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SECTION 1  
RULES

**▲ RULE 290 – LOSS OF AND DAMAGE TO SHIPMENTS** (Continued)

(d) NS will not be liable for loss, damage, or delay caused by:

- an act of God
- a public enemy or terrorism
- the authority of law
- riots
- strikes
- acts of civil disobedience
- an inherent quality or characteristic in the commodity
- natural shrinkage
- an act or default of Shipper, consignor, consignee, owner, or any contracting party, including but not limited to, the failure of the Shipper or any other party to properly block or brace the lading; or the stoppage and holding in transit of lading at the request of the shipper, consignor, consignee, owner, or any contracting party.

(e) NS'S liability will not extend beyond the actual physical loss or damage to the cargo itself, including any costs reasonably incurred in efforts to mitigate the loss or damage.

(f) In no event shall NS be liable for any incidental, special, indirect or consequential damages whatsoever (including but not limited to lost profits, business interruption expenses and shipper or consignee's liability to their own customers for liquidated damages or other damages) arising out of or related to the services provided under these Conditions of Carriage, even if advised of the possibility of such damages.

(g) NS does not make any representations as to the suitability of cargo for rail transportation. The Shipper acknowledges also that there are significant forces exerted on the cargo in rail transportation that may require additional packing measures for the cargo to move safely.

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▲ - Change in wording which results in neither increase nor reduction in charges.

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SECTION 1  
RULES

**▲ RULE 290 – LOSS OF AND DAMAGE TO SHIPMENTS** (Continued)

(h) NS will not be liable for damage arising from atmospheric conditions when such damage occurs to lading loaded in open-top or on flatbed rail cars. Protective covering sufficient to protect such lading must be furnished and installed by the Shipper. NS will not be liable for the durability and suitability of the protective covering.

(i) Failure of the destination railroad to inspect damaged cargo for any reason will not relieve the claimant from the requirement of establishing that cargo was delivered in a damaged condition and was properly blocked and braced. Failure of the destination railroad to inspect damaged cargo for any reason will not be considered an admission of liability by NS.

**(2) Filing of Claims**

(a) In any claim for loss, damage, or delay, claimant shall include:

(i) equipment initials and number, shipper's name, consignee's name, notify party's name, shipping date, shipment origin and destination location and commodity description and STCC code.

(ii) records (such as bill of lading, shipping manifest, or purchase or sales documents) or certification to establish:

(a) delivery to a NS carrier;

(b) the level of NS cargo claim coverage contracted for the shipment if other than Standard; and,

(c) condition and quantity of cargo at origin.

(iii) Supporting documentation for the amount claimed, such as weight and grade certificates, repair bills or certified invoices.

(b) Except where otherwise necessitated by wreck or derailment, claimant shall also include in any such claim:

(i) records verifying condition and quantity of the cargo when received at the destination stated in the shipping instructions

(ii) origin and destination seal records, if applied, and

(iii) evidence of disposition of any damaged cargo in compliance with requirements of this section.

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110 Franklin Road, S.E.  
Roanoke, VA 24042-0047

SECTION 1  
RULES

**RULE 290 – LOSS OF AND DAMAGE TO SHIPMENTS** (Concluded)

(c) Claimants must file any claims for loss, damage or delay to lading with:

▲ Norfolk Southern Corporation  
Freight Claim Settlement  
Attn: Manager Freight Claim Settlement  
1200 Peachtree St., NE,  
Box 153  
Atlanta, GA 3030

(d) Where a bill of lading covers only one railcar, a claim for loss or damage must be submitted for the lading moving in only that one railcar and may not be combined into a single claim with damage to lading moving in other railcars covered by other bills of lading. Where loss or damage occurs to lading moving in more than one railcar and the multi-car movement is covered by a single bill of lading, one claim can be filed to cover all damage to lading in railcars moving under that same bill of lading.

**(3) Lawsuits**

(a) As a condition precedent to any right of recovery, any lawsuit involving a claim for loss, damage or delay to cargo must be commenced within two (2) years and one (1) day from the date of declination of the claim.

(b) Lawsuits shall be filed only in courts of competent jurisdiction and venue as set out in 49 USC Section 11706.

(c) No party other than the Shipper or the Consignee shall have standing to bring a lawsuit regarding a shipment moving under these Conditions of Carriage.

▲ - Change in wording which results in neither increase nor reduction in charges.

EFFECTIVE SEPTEMBER 1, 2007

Issued By  
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110 Franklin Road, S.E.  
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SECTION 1  
RULES

**RULE 300 - EXTENSION OF CREDIT**

(1) Acceptance by NS of a tender of a shipment by Shipper does not constitute the extension of credit by NS to Shipper or to party responsible for payment of NS freight charges ("Payor"). Credit shall only be extended through the Credit Department of NS. If NS extends credit, it is granted only as a convenience to the Shipper or Payor and may be revoked by NS at any time as to any shipment (including those in transit) without notice by NS. In the event of a revocation of credit affecting any cars in transit, Shipper or Payor must either pay all charges for the cars in transit or make provisions for payment satisfactory to NS before the cars will be delivered. Any changes in Shipper's or Payor's ownership or financial condition which materially affects Shipper's financial standing must be reported to NS' Credit Department.

(2) Where credit has been extended to Shipper or Payor, payment must be received by NS within fifteen (15) days of the date of the freight bill or invoice.

(3) Where credit has not been extended to Shipper or Payor, payment of transportation charges must be made to NS in advance of the shipment in cash.

(4) In the event that Shipper or Payor shall dispute the amount of a bill, Shipper or Payor shall pay to NS within the credit period the undisputed amount of the bill. Shipper or Payor shall also notify NS within the credit period of the disputed amount and the basis for the dispute. Payment of bills, or any portion thereof, by Shipper or Payor which later are determined to be incorrect will not prejudice Shipper's or Payor's right to seek a refund within the statutory period.

(5) NS shall have the right to recover from Shipper or Payor all reasonable costs of collection, including but not limited to reasonable attorneys' fees, in the event of any violation of the credit terms of NS by Shipper or Payor.

▲ (6) With regard to collect bills of lading, the existence of the Payor does not serve to relieve the Shipper and Consignee for their responsibility for the payment of freight and other charges as established by these Conditions of Carriage and law unless otherwise expressly stated by a written agreement. The foregoing shall not affect the Shippers right to secure non-recourse pursuant to Section 7 of the bill of lading. With regard to prepaid bills of lading, the existence of the Payor does not serve to relieve the Shipper for its responsibility for the payment of freight and other charges as established by these Conditions of Carriage and law unless otherwise expressly stated by a written agreement.

(7) Effective October 1, 2003, NS will assess a finance charge of one percent (1%) per month (twelve percent (12%) per annum) against unpaid linehaul freight bills beyond credit terms. Finance charges will be calculated using a daily rate of .0329% (12% / 365 days) which will be applied to unpaid linehaul freight bills that are not paid within the governing credit period. The finance charge will accrue daily until payment is received by NS.

▲ - Change in wording which results in neither increase nor reduction in charges.

EFFECTIVE JUNE 1, 2003

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SECTION 1  
RULES

**▲ # RULE 310 - MECHANICAL PROTECTIVE SERVICE (MPS)**

(1) Shipments requiring protection from heat or cold will be handled in accordance with rules and provisions (other than charges for services) for protective services. Mechanical protective services, including detention of equipment, are separate and distinct services, and charges therefore will be in addition to charges applicable for line haul and other transportation services. (See Rule 320)  
EXCEPTION: NS will not provide portable heater service. To the extent cars are received from connections with heaters already installed, such heaters will be allowed to move through to destination without service by NS.

(2) Shipper shall specify on the bill of lading whether the commodities loaded in the equipment are perishable in nature requiring protection against heat or cold. If no such specification is made, NS shall not be responsible for any loss or damage arising from the lack or failure of such protection.

(3) Subject to the conditions of this rule for shipper owned or leased cars where mechanical protective service is required, NS will provide reasonable maintenance to mechanical protective service (MPS) units including minor repairs, fuel oil, lubrication and other supplies. The expense of operating the MPS units will be borne by the shipper, and the actual cost of labor for any maintenance, service or repairs, and for material (plus 15% material handling charge), fuel oil, lubricating oil and all other supplies furnished to such MPS units shall be billed against the shipper directly by the railroad incurring the cost of furnishing such services.

**RULE 320 - CHARGES FOR MECHANICAL PROTECTIVE SERVICES**

Unless specifically indicated in a rate quotation or contract price for line-haul transportation rates, carload shipments originating on NS do not include a protective service charge payable to third parties. To determine the charge applicable for mechanical-protective service for equipment not owned by NS, charges specified in service offerings by the owners or lessees of the MPS equipment will apply.

**RULE 330 - MIXED CARLOAD SHIPMENTS**

Except as otherwise provided in written contracts, quotes or tariffs, when two or more commodities for which the same or different rates apply are shipped in a single carload, and the weight of the predominant article is 95 per cent or more of the total weight of the shipment, the rate to be assessed on the entire shipment will be that applicable on the predominant article.

**RULE 420 - AGGREGATE RULE**

Unless specifically authorized in writing by NS, point-to-point rates may not be combined to provide a through rate. Example: Customer has a rate quote from Point A to Point C (the "A to C Rate"). Customer also has a rate quote from Point A to Point B (the "A to B Rate") and from Point B to Point C (the "B to C Rate"). The A to C Rate applies, and Customer may not combine the A to B Rate with the B to C Rate unless specifically authorized in writing by NS.

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- ▲ - Change in wording which results in neither increase nor reduction in charges.
  - # - Matter formerly shown and not brought forward is hereby eliminated account obsolete.
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EFFECTIVE JANUARY 28, 2005

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Issued By  
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SECTION 1  
RULES

**RULE 430 - INTERMEDIATE RATES**

Except as otherwise specifically provided in individual contracts or rate quotations, rates will not apply from or to points intermediate to the origins or destinations specified in such individual contracts or rate quotations.

**RULE 440 - ALTERNATION OF RATES**

(1) Customer-specific rates (contracts or specific quotes) will take precedence over open or non-customer-specific rates (general quotes). Within each of those two categories, point-to-point rates will apply regardless of any group or scale rates available, and group rates will be applied to the exclusion of any scale rates.

(2) Where a rate authority contains more than one carload rate at varying minimum weights for the same movement, the rate that produces the lowest charges for that authority will apply.

(3) Unless otherwise agreed upon by NS and the purchaser of transportation subject to this publication, where NS can serve both origin and destination (either directly or through switching by another carrier), NS single-line rates will apply to the exclusion of any joint-line rates.

**RULE 470 - RETURN OF SHIPPER'S RACKS, CRATES, TRAYS OR BINS USED IN MOVEMENTS OF AUTO PARTS**

(The Provisions of this Item will not apply on shipments in "Railbox" cars with reporting marks "ABOX" or "RBOX" in the Official Railway Equipment Register).

When shipments of Automobile Parts as described in Item 500 RPS 4924-Series publication, are made in shipper's racks, crates, trays or bins, or with braces, brackets, spacers, spacer-bars or protective shields or when shipper's racks, crates, trays or bins are used as restrainers or spacers or when necessary empty shipper-owned bins are placed in cars to handle the return of hold-down brackets or spacer-bars and loaded in cars owned by the origin road-haul carrier or carriers participating in the movement and/or cars assigned for return to the origin, they may be transported at the net weight of such shipments not including the weight of any shipping containers or devices. The rate applicable to said net weight shall include the return of said shipping containers or devices, provided the cars (see Note 2) used on the inbound movement to the plant location and there unloaded are utilized for the return movement of such shipping containers or devices to the point of origin of loaded movement via a route which is the reverse of the route used in the loaded movement of such shipping containers or devices (see Note 1).

(Continued on following page)

EFFECTIVE JUNE 1, 2003

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SECTION 1  
RULES

**RULE 470 - RETURN OF SHIPPER'S RACKS, CRATES, TRAYS OR BINS USED IN MOVEMENTS OF AUTO PARTS** (Concluded)

**EXPLANATION OF NOTES**

- NOTE 1: If racks, crates, trays, bins, braces brackets, spacers, spacer bars or protective shields are removed from the car when placed at shipper's siding upon completion of the return movement, and if the car is then released to the carrier empty to be held for future loading, a charge of \$100.00 will be assessed for each of such cars placed and released empty to the carrier.
- NOTE 2: Boxcars designated "XM" in the Official Railway Equipment Register publication and other non-assigned, free-running specially-equipped boxcars subject to AAR Car Service Directive 150 may also be used for the return transportation of empty shipping containers or devices, subject to the same conditions as apply to assigned boxcars, provided the shipper furnished shipping instructions prior to such car being pulled from the siding. Such instructions shall indicate that the car contains shipping containers or devices being returned to origin via the reverse route of the inbound loaded movement. Failure to provide such shipping instructions will result in the assessment of the otherwise applicable charges for the transportation of empty shipping containers or devices.

**RULE 480 – DISCLAIMER OF CONSEQUENTIAL AND SPECIAL DAMAGES**

Notwithstanding any provision in these Conditions of Carriage to the contrary and regardless of the nature of the cause of action, whether in tort, contract or otherwise, in no event shall any party to these conditions of carriage be liable for any consequential, incidental, special, or indirect damages whatsoever (including but not limited to lost profits, cost of capital or interruption of business expenses) arising out of the services provided under these conditions of carriage, even if advised of the possibility of such damages.

**▲ RULE 500 - CHANGE IN PROVISIONS**

Subject to all notice requirements established by law. NS reserves the right at any time to change the terms and conditions of these Conditions of Carriage; provided, however, any such change shall be effective only with regard to any transportation services provided under these Conditions of Carriage for freight tendered after the effective date of the changes. NS will make available on its web site these Conditions of Carriage in their latest amended form. Shipper should review these Conditions of Carriage before tendering freight to NS.

- ▲ - Change in wording which results in neither increase nor reduction in charges.

EFFECTIVE MARCH 1, 2004

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Issued By  
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SECTION 1  
RULES

**RULE 510 – PRIVATE EQUIPMENT**

(1) Upon request, NS may from time to time assist its customers in developing the appropriate size and mix of the customer’s fleet of Private Equipment. In giving such assistance, NS does not warrant or guarantee the accuracy and results of such assistance. All determinations of size and mix of the customer’s fleet of Private Equipment are solely and ultimately the responsibility of the customer and are made at the sole risk and expense of customer.

(2) NS does not guarantee or promise that Private Equipment will make or will be available to make any particular Cycle Time (round-trip between two or more points) or any particular number of movements within any specified time period; regardless of whether NS had actual knowledge, or should have reasonably known, of shipper’s past or expected Cycle Times, the size of shipper’s Private Equipment fleet, or shipper’s and/or shipper’s customers commercial business.

(3) Shipper is solely responsible for determining the suitability of the Private Equipment to move the respective lading in issue. NS shall have no responsibility for the failure of Private Equipment to adequately protect the lading where the damage to the lading is not due to any act of NS but to the nature of the Private Equipment.

**RULE 520 – SECURITY SEALS**

NS neither inspects shipments for seals or security devices intended to prevent unauthorized access to a shipment nor determines when a security device is appropriate. In the event that a shipment requires special security measures (such as high security seals, shrink-wrap, paper coverings and the like), it is the duty of the Shipper to determine and take the appropriate security measures. Documentation of the application of security devices at shipment origin is the responsibility of the Shipper. In determining the extent, if any, of NS’s responsibility as a common carrier for loss, damage or liability to a shipment, the absence of or damage to a seal without physical evidence of contamination, loss or theft does not establish injury, loss or damage to a shipment.

**RULE 530 – NON-WAIVER**

Any waiver on the part of NS of any term or condition of these Conditions of Carriage shall not constitute a precedent, nor require NS to continue waiving such term or condition or to waive any succeeding breach of the same or any other of the terms and conditions of these Conditions of Carriage. No waiver or purported waiver on the part of NS shall be deemed to bind NS unless made in writing and signed by an authorized NS Marketing Officer.

**+ RULE 535 - BANKRUPTCY OR INSOLVENCY**

- A. In the event Shipper files or is the subject of a filed petition in bankruptcy and Shipper has a transportation contract or other agreement with NS (collectively “Agreement”), Shipper will, as soon as practicable:
  - (1) Identify NS as a “Critical Vendor” of essential services as that term is interpreted and understood within the context of a bankruptcy proceeding;
  - (2) Identify any Agreement with NS under which there remains continuing unperformed obligations; and,
  - (3) Choose to elect to either assume or reject such Agreements identified pursuant to paragraph (2) above within sixty (60) days of the date of the filing of the Shipper’s petition in bankruptcy.

(Continued on following page)

+ - added.

EFFECTIVE DECEMBER 23, 2008

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Issued By

SECTION 1  
RULES

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**RULE 535 - BANKRUPTCY OR INSOLVENCY** (concluded)

- B. In the context of a bankruptcy proceeding, no Agreement identified under paragraph (2) may be assigned without NS' consent, unless NS is given adequate assurance of future performance by the assignee. Such adequate assurance will include, but not necessarily be limited to, a deposit with NS as security for the timely payment of switching and linehaul charges an amount equal to the average thirty (30) day accrual for such charges as or security guarantees in form and substance satisfactory to NS from one or more persons who satisfy NS' standard of creditworthiness.

**RULE 540 – GOVERNING LAW**

To the extent not governed by Federal law, the laws of the Commonwealth of Virginia shall govern the construction and interpretation of these Conditions of Carriage and all rights and obligations of the parties under these Conditions of Carriage.

**RULE 550 – NO THIRD PARTY BENEFICIARIES**

The services provided by NS under these Conditions of Carriage are intended solely for the benefit of the shipper except to the extent expressly stated otherwise in these Conditions of Carriage and are not intended for the benefit of any third party. Any standards of service contained in these Contract of Terms of Carriage, any transportation contract or offering are solely for the benefit of the shipper or contracting party to the transportation contract or offering.

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EFFECTIVE DECEMBER 23, 2008

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Issued By  
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SECTION 1  
RULES

**RULE 560 - NORMAL RAIL OPERATIONS-ORDER/NOTIFY SHIPMENTS**

(1) All services provided pursuant to these Conditions of Carriage will be provided by NS in accordance with any applicable FRA and AAR guidelines and regulations and routine NS practice (including but not limited to switching, coupling and humping). Specialized rail handling such as "do not hump", speed restrictions and equipment size are special rail services and not routine rail services. Unless agreed to in writing by both NS and shipper, any restrictions on rail handling placed by shipper upon a particular car (including, but not limited to, "Do Not Hump" signs, notations as to speed or other restrictions on a bill of lading, EDI notations) shall have no effect and be void. Shippers desiring special handling must contact NS to arrange such special handling.

(2) NS does not provide Order/Notify service. Bills of lading or shipping instructions tendered to NS in the form of an order/notify bill of lading will be handled as straight bills of lading. Instructions to the effect of requiring NS to not complete delivery of a shipment until either securing authorization for delivery from the shipper or some other party, surrender of the bill of lading or notification by NS to the shipper or some other party shall have no effect and be void regardless of whether such instructions are contained in a straight or an order/notify bill of lading; and NS shall have no liability for delivering a shipment to the consignee listed in the bill of lading in such circumstances.

**RULE 570 -- SEVERABILITY**

If any provision of these Conditions of Carriage is held invalid by a court or governmental entity of competent jurisdiction, such provision shall be severed from these Conditions of Carriage and to the extent possible, these Conditions of Carriage shall continue with regard to the remaining provisions.

**▲ RULE 580—CARGO OWNERS AND COLLATERAL PARTIES**

With regard to shipments moving under some type of limitation of liability, the rates, levels of liability and other terms and conditions governing the rail transportation agreed upon between NS and the Shipper represents the essential consideration to the parties. Frequently, the contract for the rail portion of a movement may be only one contract in a series of other contracts between other parties. Pursuant to Rule 550 none of these other parties are the intended third party beneficiaries of the governing rail contract. Furthermore, any liability on the part of NS extends only to the Shipper and is limited to the terms and conditions set out by these Conditions of Carriage and the governing rail contract. The Shipper acknowledges that the bargain with NS neither contemplates or creates liability on the part of NS towards any other party, whether in tort or contract, nor places upon NS any liability in excess of the liability assumed by NS under these Conditions of Carriage and the governing rail contract. By tendering the cargo to NS, the Shipper agrees to indemnify NS against any claim by the cargo owner or any other person or agent for any amounts that exceed the limited liability assumed by NS under these Conditions of Carriage and the governing rail contract for loss of or damage to the lading plus the reasonable cost of defense and attorney's fees for NS.

▲ - Change in wording which results in neither increase nor reduction in charges.

EFFECTIVE JULY 15, 2005

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