NORFOLK SOUTHERN CORP
Form DEF 14A
March 25, 2015

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SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant [X]
Filed by a Party other than the Registrant [ ]

Check the appropriate box:

[ ]	Preliminary Proxy Statement	[ ]	Soliciting Material Under Rule 14a-12
[ ]	Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))		
[X]	Definitive Proxy Statement		
[ ]	Definitive Additional Materials		

NORFOLK SOUTHERN CORPORATION
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

[X] No fee required.

[ ] Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

[ ] Fee paid previously with preliminary materials:

[ ] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

1)	Amount previously paid:
2)	Form, Schedule or Registration Statement No.:
3)	Filing Party:
4)	Date Filed:

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Notice of the 2015 Annual Meeting and 2015 Proxy Statement

Thursday, May 14, 2015, at 8:30 A.M. Eastern Daylight Time
Conference Center, Williamsburg Lodge, South England Street, Williamsburg, Virginia

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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
NORFOLK SOUTHERN CORPORATION
Three Commercial Place, Norfolk, Virginia 23510

Thursday, May 14, 2015
8:30 A.M., Eastern Daylight Time
Conference Center, Williamsburg Lodge, South England Street, Williamsburg, Virginia

Agenda

We will hold our Annual Meeting of Stockholders for the following purposes:

1. Election of thirteen directors for one year terms ending in 2016.
2. Ratification of the appointment of KPMG LLP, independent registered public accounting firm, as our independent auditors for 2015.
3. Approval, by non-binding vote, of executive compensation.
4. Approval of the Norfolk Southern Corporation Executive Management Incentive Plan, as amended.
5. Approval of the Norfolk Southern Corporation Long-Term Incentive Plan, as amended.

Transaction of such other business as properly may come before the meeting and any adjournments or postponements of the meeting.

Record Date

Only stockholders of record as of the close of business on March 5, 2015, will be entitled to notice of, and to vote at, the meeting.

Admission

Only stockholders or their legal proxies may attend the Annual Meeting. To be admitted, you must bring photo identification and if you are a beneficial owner of shares held in street name proof of stock ownership. Refer to page 2 for information about attending the Annual Meeting.

By order of the Board of Directors,
DENISE W. HUTSON
Corporate Secretary

Dated: March 25, 2015

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON MAY 14, 2015

Pursuant to rules promulgated by the Securities and Exchange Commission (SEC), we have elected to provide access to our proxy materials over the Internet. Accordingly, we are sending a Notice of Availability of Proxy Materials, or Notice, to certain of our stockholders of record, and we are sending a paper copy of the proxy materials and proxy card to other stockholders of record who we believe would prefer receiving such materials in paper form. Brokers and other nominees who hold shares on behalf of beneficial owners may be sending their own similar Notice. **In accordance with SEC rules, you may access our notice and proxy statement and Annual Report at www.voteproxy.com, which does not have cookies that identify visitors to the site. The Notice also includes instructions for requesting a printed copy of the materials. The notice and proxy statement are also available at that web site.** In addition, this proxy statement and our Annual Report are available on our web site at *www.nscorp.com*.

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If you do not expect to attend the meeting, we urge you to provide your proxy by marking, dating and signing the proxy card and returning it in the accompanying envelope, or by submitting your proxy over the telephone or the Internet as more particularly described on the proxy card. You may revoke your proxy at any time before your shares are voted by following the procedures described in the proxy statement.

Advance Voting Methods

Even if you plan to attend the 2015 Annual Meeting of Stockholders in person, please vote right away using one of the following advance voting methods (see page 1 for additional details). Make sure to have your proxy card or voting instruction form in hand and follow the instructions. You can vote in advance in one of four ways:

Visit the website listed on your proxy card/voting instruction form to vote VIA THE INTERNET
Call the telephone number on your proxy card/voting instruction form to vote BY TELEPHONE
Sign, date and return your proxy card/voting instruction form in the enclosed envelope to vote BY MAIL
Scan the QR code found at the end of this statement to vote VIA MOBILE DEVICE

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GENERAL INFORMATION

Voting and Proxies

The following questions and answers provide guidance on how to vote your shares.

WE WANT TO HEAR FROM YOU   VOTE TODAY.

Who can vote?

Stockholders who are record owners of our common stock as of the close of business on March 5, 2015, are entitled to notice of and to vote at the 2015 Annual Meeting.

As of the close of business on the March 5, 2015, record date, 326,645,000 shares of our common stock were issued and outstanding. Of those shares, 306,324,223 shares were owned by stockholders entitled to one vote per share. The remaining 20,320,777 shares were held by our wholly owned subsidiaries, which are not entitled to vote those shares under Virginia law.

What will I be voting on?

Stockholders will be voting (i) to elect directors of Norfolk Southern, (ii) to appoint KPMG as auditors of Norfolk Southern, (iii) in an advisory, non-binding capacity, on the approach to executive compensation disclosed in the Compensation Discussion and Analysis in this Proxy Statement, (iv) to approve the Norfolk Southern Corporation Executive Management Incentive Plan, as amended, and (v) to approve the Norfolk Southern Corporation Long-Term Incentive Plan, as amended. Our Board of Directors is recommending that stockholders vote FOR items (i) through (v).

How many shares are needed at the Annual Meeting to constitute a quorum?

The presence, either in person or by proxy, of the holders of a majority of the outstanding shares of our common stock entitled to vote at the 2015 Annual Meeting is necessary to constitute a quorum. Abstentions are counted as present and entitled to vote for purposes of determining a quorum.

How will these matters be decided at the meeting?

A majority of votes cast in favor of each proposal, in person or by proxy, will constitute approval of these matters at the Annual Meeting. More information on the voting requirement for each item is included in the description of the matter in the proxy statement.

Who is soliciting my proxy?

The Board of Directors is soliciting your proxy to vote your shares at the Annual Meeting of Stockholders. If you give the Board of Directors your proxy, your shares will be voted in accordance with the selections you indicate on the proxy card.

Who is paying for this solicitation?

Norfolk Southern pays the cost of preparing proxy materials and soliciting proxies, including the reimbursement, upon request, of trustees, brokerage firms, banks and other nominee record holders for the reasonable expenses they incur to forward proxy materials to beneficial owners. Our officers and other employees may solicit proxies by telephone, facsimile, electronic mail or personal interview; they receive no additional compensation for doing so. We have retained Innisfree M&A Incorporated to assist in the solicitation of proxies at an anticipated approximate cost of $15,000 plus reasonable out-of-pocket expenses.

What is the difference between holding shares as a stockholder of record and as a beneficial stockholder?

If your shares are registered directly in your name with our transfer agent, American Stock Transfer and Trust Company, you are considered a stockholder of record with respect to those shares. If your shares are held in a brokerage account or bank, broker or other nominee, you are considered the   beneficial owner   of such shares.

How do I vote if I am a stockholder of record?

If you are the record owner of any shares of our common stock (the shares are registered in your name), you may vote your shares by submitting your proxy card or by voting in person at the 2015 Annual Meeting.

You also may vote by telephone or the Internet in the manner described on the proxy card, or you may vote by marking, dating and signing the proxy card and mailing it to American Stock Transfer and Trust Company Shareholder Services.

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GENERAL INFORMATION

How do I vote in person at the Annual Meeting?

To obtain directions to attend the meeting and vote in person, you may contact:

Denise W. Hutson, Corporate Secretary
Norfolk Southern Corporation
Three Commercial Place, 13th Floor
Norfolk, Virginia 23510-9219
Telephone: 757-823-5567

If you are not a record stockholder, you can only vote in person at the Annual Meeting if you bring a proxy from the record holder (the broker, bank or other nominee who holds your shares).

How do I gain admission to the Annual Meeting?

Only stockholders or their legal proxies may attend the Annual Meeting. If you are a record owner of shares held in your name, you must bring a valid, government-issued photo identification. If you are a beneficial owner of shares held in street name by a broker, bank, or other nominee, you must bring a valid, government-issued photo identification and proof of beneficial ownership, such as: 1) a copy of the voting information form from your bank or broker with your name on it; 2) a letter from your bank or broker stating that you owned shares of our common stock as of the Record Date; or 3) an original brokerage account statement indicating that you owned shares of our common stock as of the Record Date.

How do I vote if I am a beneficial stockholder?

If you are the beneficial owner of any shares held in street name by a broker, bank or other nominee, you may vote your shares by submitting your voting instructions to that entity. Please refer to the voting instruction form that your broker, bank or other nominee record holder included with these materials.

Your shares may be voted on certain matters if they are held in street name by a broker, even if you do not provide the record holder with voting instructions; brokers have the authority under New York Stock Exchange rules to vote shares for which their customers do not provide voting instructions on certain routine matters. The ratification of the selection of KPMG LLP as our independent registered public accounting firm (Item 2) is considered a routine matter for which brokers may vote shares they hold in street name, even in the absence of voting instructions from the beneficial owner. The election of directors (Item 1), advisory vote on executive

compensation (Item 3), approval of Amended EMIP (Item 4), and approval of Amended LTIP (Item 5) are not considered routine matters, and a broker cannot vote shares it holds in street name on these proposals if it has not received voting instructions from the beneficial owner of the shares with respect to the proposals.

How do I vote if I own common stock through an employee plan?

If shares are credited to your account in the Norfolk Southern Corporation Thoroughbred Retirement Investment Plan or the Thrift and Investment Plan, you will receive an instruction form from the trustee of that plan. Your instruction form submitted by mail, over the telephone or Internet serves as voting instructions for the trustee of the plans, Vanguard Fiduciary Trust Company. If your proxy is not received by 5 P.M. Eastern Time on May 11, 2015, the trustee of these plans will vote your shares for each item on the proxy card in the same proportion as the shares that are voted for that item by the other participants in the respective plan.

What if I change my mind after I vote?

Any stockholder of record may revoke a previously submitted proxy at any time before the shares are voted by: (a) giving written notice of revocation to our Corporate Secretary; (b) submitting subsequent voting instructions over the telephone or the Internet; (c) delivering a validly completed proxy card bearing a later date; or (d) attending the 2015 Annual Meeting and voting in person. For shares you hold beneficially in street name, you may change your vote by submitting new voting instructions to your broker, bank or other nominee, or, if you have obtained a legal proxy from your broker, bank or other nominee giving you the right to vote your shares, by attending the 2015 Annual Meeting and voting in person.

What is householding?

As permitted by the Securities Exchange Act of 1934, we may deliver a single copy of the Annual Report and proxy statement, or the Notice of Internet Availability, to multiple record stockholders sharing an address. This is known as householding. Upon request, we will promptly deliver a separate copy of the Annual Report or proxy statement to a stockholder at a shared address to which a single copy of the document was delivered. If you would like a separate copy of this proxy statement or the 2014 Annual Report now or in the future, or if you are receiving multiple copies and would like to receive only one copy for your household, you may contact: Denise W. Hutson, Corporate Secretary, Norfolk Southern Corporation, Three Commercial Place, 13th Floor, Norfolk, Virginia 23510-9219 (telephone 757-823-5567).

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GENERAL INFORMATION

Are votes confidential? Who counts the votes?

We have policies in place to safeguard the confidentiality of proxies and ballots. American Stock Transfer and Trust Company, Brooklyn, N.Y., which we have retained to tabulate all proxies and ballots cast at the 2015 Annual Meeting, is bound contractually to maintain the confidentiality of the voting process. In addition, each Inspector of Election will have taken the oath required by Virginia law to execute duties faithfully and impartially.

None of our employees or members of our Board of Directors have access to completed proxies or ballots and, therefore, do not know how individual stockholders vote on any matter. However, when a stockholder writes a question or comment on a proxy or ballot, or when there is a need to determine the validity of a proxy or ballot, our management and/or their representatives may be involved in providing the answer to the question or in determining such validity.

Who can I call with questions?

You may contact:

Denise W. Hutson, Corporate Secretary
Norfolk Southern Corporation
Three Commercial Place, 13th Floor
Norfolk, Virginia 23510-9219
Telephone: 757-823-5567

How may I contact the transfer agent?

You may contact American Stock Transfer and Trust Company, LLC (AST) at 877-864-4750.

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2015 PROXY SUMMARY

This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information you should consider, and you should read the entire proxy statement before voting.

Annual Meeting of Stockholders

Time and Date	Thursday, May 14, 2015, at 8:30 A.M., Eastern Daylight Time
Place	Conference Center, Williamsburg Lodge South England Street, Williamsburg, Virginia
Record Date	March 5, 2015
Voting	Stockholders as of the record date are entitled to vote. Each share of common stock is entitled to one vote for each director nominee and one vote for each of the other proposals to be voted on at this meeting.

Business of the Meeting

	Board Vote Recommendation	Page (for additional information)
Election of 13 Directors	**FOR EACH NOMINEE**	**10**
Other Board Proposals:		
Ratification of KPMG as Auditor for 2015	**FOR**	**15**
Advisory Resolution to Approve Executive Compensation	**FOR**	**16**
Approval of Norfolk Southern Corporation Executive Management Incentive Plan, as amended	**FOR**	**17**
Approval of Norfolk Southern Corporation Long-Term Incentive Plan, as amended	**FOR**	**21**

Transact other business that properly comes before the meeting or any adjournment or postponement thereof.

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2015 PROXY SUMMARY

DIRECTOR NOMINEES

Name	Age	Director Since	Principal Occupation	Independent	Committee Memberships
Thomas D. Bell, Jr.	65	2010	Chairman Mesa Capital Partners, LLC	√	Compensation Executive Finance
Erskine B. Bowles	69	2011	Senior Advisor and Non-Executive Vice Chairman BDT Capital Partners, LLC	√	Compensation Finance
Robert A. Bradway	52	2011	Chairman and CEO Amgen, Inc.	√	Audit Governance & Nominating
Wesley G. Bush	53	2012	Chairman, CEO and President Northrup Grumman Corp.	√	Compensation Finance
Daniel A. Carp	66	2006	Non-Executive Delta Air Lines, Inc.	√	Compensation Governance & Nominating Executive
Karen N. Horn	71	2008	Partner Brock Capital Group	√	Audit Governance & Nominating Executive
Steven F. Leer	62	1999	Senior Advisor to the President/CEO of Arch Coal, Inc.	√	Compensation Governance & Nominating Executive
Michael D. Lockhart	66	2008	Former Chairman, President and CEO Armstrong World Industries, Inc.	√	Audit Finance
Amy E. Miles	48	2014	CEO Regal Entertainment Group, Inc.	√	Audit Finance
Charles W. Moorman, IV	63	2005	Chairman and CEO Norfolk Southern Corp.		Executive
Martin H. Nesbitt	52	2013	Co-Founder The Vistria Group	√	Audit Finance
James A. Squires	53	2014	President Norfolk Southern Corp.		
John R. Thompson	63	2013	Former Senior Vice President Best Buy.com	√	Audit Governance & Nominating

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BOARD OF DIRECTOR PROPOSALS

Ratification of KPMG as Auditor for 2015. As a matter of good governance, we are asking stockholders to ratify the selection of KPMG as our independent auditors for 2015.

Advisory Resolution to Approve Executive Compensation. We are asking our stockholders to approve, on an advisory basis, our named executive officer compensation. The Board recommends a FOR vote because it believes that our compensation policies and practices are effective in achieving the company s goals of aligning executives compensation with overall business strategies, attracting and retaining highly qualified executives, and providing incentives that drive stockholder value.

Approval of the Norfolk Southern Corporation Executive Management Incentive Plan, as amended (Amended EMIP) and the Norfolk Southern Corporation Long-Term Incentive Plan, as amended (Amended LTIP). We are asking our stockholders to approve the material terms of the Amended EMIP and the Amended LTIP. The Board recommends a vote FOR both proposals so as to continue to allow Norfolk Southern the opportunity to make performance-based awards under both plans that are deductible under current tax laws. The Board further recommends a vote FOR the Amended LTIP to allow Norfolk Southern to continue to align the interests of directors and employees with the interests of stockholders, by allowing directors and employees to acquire an ownership interest in Norfolk Southern through equity awards. The Board determined that there was a need for additional shares to be made available for long-term incentives that may be awarded under the plan and, as a result, the Board approved, subject to stockholder approval, an additional 8 million shares. The Amended LTIP and Amended EMIP allow Norfolk Southern to award a significant portion of the compensation paid to the Named Executive Officers as performance-based and at-risk compensation, as shown in the charts on pages 51-52 of the Compensation Discussion & Analysis.

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2015 PROXY SUMMARY

BUSINESS HIGHLIGHTS

This summary provides highlights from our Annual Report on Form 10-K for the fiscal year ended December 31, 2014, as filed with the SEC on February 11, 2015, to assist you in reviewing Norfolk Southern s 2014 performance. The information contained below is only a summary, and you should refer to the more comprehensive discussions contained in our 2014 Form 10-K for additional information about these highlights.

Our strong 2014 financial results reflect higher volumes and an all-time low operating ratio, demonstrating our ability to leverage existing and new markets and our commitment to controlling costs and improving productivity. Demand for our transportation services exceeded our expectations. The surge of volume growth and severe winter weather led to resource shortages and network delays during the year, but we have improved our operations by employing additional resources, and we expect improvement to continue through 2015.

Our 2014 railway operating revenues were a record high at $11.6 billion, income from railway operations were a record high at $3.6 billion, and our highest ever net income of $2.0 billion created a record $6.39 earnings per diluted share. During 2014:

Our financial results were driven by a 7% increase in intermodal revenue and a 6% increase in general merchandise revenue, which offset a 6% decline in coal revenues.

Our operating expenses increased only 1% for the year while handling 5% more volume than 2013. Our operating efficiency was reflected in our operating ratio, which set a record at 69.2%.

We generated $2.9 billion in cash from operations, from which we were able to invest $2.1 billion in capital spending and distribute $687 million in dividends. We raised our dividends per share from $2.04 in 2013 to $2.22 for 2014, an increase of approximately 9%, and declared another $0.02 per share increase for the first quarter of 2015. The remainder of our cash from operations, combined with borrowing proceeds, supported $318 million of share repurchases and retirement of 3.1 million shares of stock. In 2015, we anticipate $2.4 billion in capital spending and approximately $1 billion in share repurchases, both significantly higher levels than 2014.

We continued to invest in our network through our capital spending program. We added capacity and operating flexibility to our network with a major expansion of our yard at Bellevue, Ohio, and with completion of a bridge in Chicago known as the Englewood flyover, and we anticipate completing several additional projects early in 2015 to further improve the fluidity of our operations.

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2015 PROXY SUMMARY

*Assumes that the value of the investment in Norfolk Southern Corporation common stock and each index was $100 on Dec. 31, 2009, and that all dividends were reinvested. Data furnished by Bloomberg Financial Markets.

COMPENSATION ALIGNMENT

The compensation earned in 2014 by our Chief Executive Officer (CEO), President and Executive Vice Presidents (EVPs) who are named executive officers, as described in the Compensation Discussion and Analysis section of this Proxy Statement, reflect our policy of having a significant portion of executive income tied to corporate performance and shareholder returns.

79% of our CEO s compensation and 70% of the other named executive officers compensation awarded for 2014 was at risk, and the earnout of 53% of the CEO s compensation and 49% of the other named executive officers compensation was based on the achievement of established corporate performance goals.

75% of our CEO s compensation and 60% of the other named executive officers compensation for 2014 were equity-based long-term incentive awards that ultimately will be paid in Norfolk Southern stock.

Our CEO and other named executive officers earned approximately 81% of their annual incentive opportunity based on achieving above-target performance levels for operating income and operating ratio, but a below-target performance level for the composite service measure. Although our operating income and operating ratio improved compared to 2013, the composite service measure declined from 83% to 70% reflecting network congestion and therefore nothing was earned for that goal.

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2015 PROXY SUMMARY

For the performance-based portion of the long-term equity award, our CEO and other named executive officers earned approximately 51% of performance share units for the three-year cycle ending in 2014, based on goals for total shareholder return (TSR), return on average invested capital and operating ratio. The goals were equally weighted, and we achieved an 81% payout for return on average invested capital and 71% for operating ratio. TSR did not meet our established goals, so nothing was earned for that goal.

To further align our TSR with performance share earnouts, the Compensation Committee eliminated operating ratio as a performance goal for performance share units awarded in 2014 and based half (rather than one-third) of the earnout on relative TSR. These performance share units will be earned at the end of 2016, so the impact of this change will be reflected at that time.

The Compensation Committee re-examined our peer group, which consists of the six other North American Class I railroads, and examined peer groups utilized by proxy advisory firms in 2013. In consultation with its compensation consultant, the Compensation Committee determined that our current peer group is the most relevant comparator for our compensation program because they are more likely to compete with Norfolk Southern for key management talent than smaller railroads and other non-railroad transportation and industrial companies.

In 2015, the Compensation Committee made the following changes to better align compensation with performance:

Changed the performance targets and resulting payouts for the 2015 annual incentive award to increase the operating income and operating ratio performance goals for threshold, target and maximum payouts.

After considering Norfolk Southern s relative TSR performance for 2012-2014, continued the 50% weighting for the TSR goal in performance share units and capped the earnout for the TSR goal at target payout when three-year TSR is negative.

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PROXY STATEMENT

This proxy statement and the accompanying proxy card relate to the Board of Directors solicitation of your proxy for use at our Annual Meeting of Stockholders to be held on May 14, 2015. We began mailing to stockholders this proxy statement and the accompanying proxy card, or where applicable the Notice of Availability of Proxy Materials, on approximately March 25, 2015, in order to furnish information relating to the business to be transacted at the 2015 Annual Meeting. We also included a copy of our 2014 Annual Report and its Form 10-K (referred to together herein as the Annual Report) in the mailing for informational purposes; the Annual Report is not a part of the proxy solicitation materials.

PROPOSALS REQUIRING YOUR VOTE

ITEM 1: ELECTION OF DIRECTORS

Our directors are elected annually and their terms will expire at the 2015 Annual Meeting. The following individuals are nominated for election as directors: Thomas D. Bell, Jr., Erskine B. Bowles, Robert A. Bradway, Wesley G. Bush, Daniel A. Carp, Karen N. Horn, Steven F. Leer, Michael D. Lockhart, Amy E. Miles, Charles W. Moorman, IV, Martin H. Nesbitt, James A. Squires and John R. Thompson.

Unless you instruct otherwise when you give us your proxy, it will be voted in favor of the election of Mr. Bell, Mr. Bowles, Mr. Bradway, Mr. Bush, Mr. Carp, Dr. Horn, Mr. Leer, Mr. Lockhart, Ms. Miles, Mr. Moorman, Mr. Nesbitt, Mr. Squires and Mr. Thompson as directors for one-year terms that begin at the 2015 Annual Meeting of Stockholders and continue until the 2016 Annual Meeting of Stockholders or until the election and qualification of their respective successors or their earlier removal or resignation.

If any nominee becomes unable to serve, your proxy will be voted for a substitute nominee to be designated by the Board of Directors, or the Board of Directors will reduce the number of directors.

So that you have information concerning the independence of the process by which our Board of Directors selected the nominees, we confirm, as required by the SEC, that (1) there are no family relationships among any of the nominees or among any of the nominees and any officer and (2) there is no arrangement or understanding between any nominee or director and any other person pursuant to which the nominee or director was selected.

The Board of Directors recommends that the stockholders vote FOR each of the nominees for election as directors.

Vote Required to Elect a Director: Pursuant to our Bylaws, in uncontested elections of directors such as this election, directors are elected at a meeting, so long as a quorum for the meeting exists, by a majority of votes cast by the shares entitled to be voted in the election. Abstentions or shares that are not voted are not counted as cast for this purpose. Any nominee for director who is not elected pursuant to this Bylaw provision must promptly tender his or her resignation to the Board of Directors for consideration by our Governance and Nominating Committee. Brokers do not have the authority to vote their customers shares on this matter if they do not receive instructions as to how to vote on this item.

Additional information on the Areas of Expertise for directors and nominees can be found on page 34 of this proxy statement under Qualifications of Directors and Nominees.

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NOMINEES FOR TERMS EXPIRING IN 2016

Thomas D. Bell, Jr.

Independent: Director since 2010
Areas of Expertise: CEO/Senior Officer; Governance/Board; Governmental Relations; Human Resources/Compensation; Marketing; Strategic Planning

Mr. Bell, 65, is the Chairman of Mesa Capital Partners, a real estate investment company. Mr. Bell also served as non-executive Chairman of SecurAmerica LLC, a provider of contract security services, from 2010 through 2012. Mr. Bell previously served as Chairman and Chief Executive Officer of Cousins Properties, Inc. and Chairman and Chief Executive Officer of Young and Rubicam Inc. He is a director of Regal Entertainment Group, Inc. and AGL Resources and has also previously served as a director of Cousins Properties, Inc.

Erskine B. Bowles

Independent: Director since 2011
Areas of Expertise: CEO/Senior Officer; Finance/Accounting; Governance/Board; Governmental Relations; Human Resources/Compensation; Strategic Planning

Mr. Bowles, 69, has been a Senior Advisor and non-executive Vice Chairman of BDT Capital Partners, LLC, since January 2012 and a Senior Advisor to Carousel Capital since 2001. He was Co-Chairman of the National Commission on Fiscal Responsibility and Reform. Mr. Bowles was President of the University of North Carolina from 2006 to 2010, and previously served as White House Chief of Staff under President Clinton. He is currently a director of Morgan Stanley, Facebook, Inc. and Belk, Inc. Mr. Bowles was formerly a director of General Motors Company, Cousins Properties, Inc., and North Carolina Mutual Life Insurance Company.

Robert A. Bradway

Independent: Director since 2011
Areas of Expertise: CEO/Senior Officer; Finance/Accounting; Governance/Board; Governmental Relations; Information Technology; Strategic Planning

Mr. Bradway, 52, has been the Chief Executive Officer of Amgen, Inc., a biotechnology company, since May 2012. Mr. Bradway previously served as President and Chief Operating Officer of Amgen from 2010 through 2012 and as Executive Vice President and Chief Financial Officer from 2007 to 2010. Mr. Bradway is a director of Amgen and was elected as chairman of its Board of Directors in 2013.

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PROPOSALS REQUIRING YOUR VOTE

Wesley G. Bush

Independent: Director since 2012
Areas of Expertise: CEO/Senior Officer; Finance/Accounting; Governance/Board; Governmental Relations; Strategic Planning; Transportation

Mr. Bush, 53, has been Chief Executive Officer and President of Northrop Grumman Corporation, a global aerospace and defense technology company, since 2010, having served previously as Northrop Grumman s President and Chief Operating Officer from 2007 to 2009, and President and Chief Financial Officer from 2006 to 2007. Mr. Bush is a director of Northrop Grumman and was elected as Chairman of its Board of Directors in 2011.

Daniel A. Carp

Independent: Director since 2006
Areas of Expertise: CEO/Senior Officer; Governance/Board; Human Resources/ Compensation; Information Technology; Strategic Planning; Transportation

Mr. Carp, 66, served as Chairman of the Board and Chief Executive Officer of Eastman Kodak Company until his retirement in 2005. He is non-executive Chairman of the Board of Delta Air Lines, Inc. and is also a director of Texas Instruments Incorporated.

Karen N. Horn

Independent: Director since 2008
Areas of Expertise: CEO/Senior Officer; Finance/Accounting; Governance/Board; Human Resources/Compensation; Strategic Planning

Dr. Horn, 71, has been a partner with Brock Capital Group since 2003. Dr. Horn served as president of Private Client Services and managing director of Marsh, Inc., a subsidiary of MMC, from 1999 until her retirement in 2003. Dr. Horn previously served as President of the Federal Reserve Bank of Cleveland. Dr. Horn serves as director of T. Rowe Price Mutual Funds, Simon Property Group, Inc., and Eli Lilly and Company. She is Vice Chairman of the U.S. Russia Foundation, Vice Chairman of the National Bureau of Economic Research and a member of the Council on Foreign Relations.

Steven F. Leer

Independent: Director since 1999
Areas of Expertise: CEO/Senior Officer; Environmental/Safety; Governance/Board; Human Resources/Compensation; Marketing; Strategic Planning; Transportation

Mr. Leer, 62, served as the Chief Executive Officer of Arch Coal, Inc., a company engaged in coal mining and related businesses, from 1992 through 2012, as Chairman of its Board of Directors from 2006 through 2012 and as its Executive Chairman from 2012 through 2014. Mr. Leer currently serves as Senior Advisor to the President and CEO of Arch Coal. He is also a director of USG Corporation.

Michael D. Lockhart

Independent: Director since 2008
Areas of Expertise: CEO/Senior Officer; Finance/Accounting; Governance/Board; Marketing; Strategic Planning; Transportation

Mr. Lockhart, 66, served as Chairman of the Board, President and Chief Executive Officer of Armstrong World Industries, Inc., and its predecessor, Armstrong Holdings, Inc., from 2000 until his retirement in February 2010. Mr. Lockhart previously served as Chairman and Chief Executive Officer of General Signal Corporation, a diversified manufacturer, from September 1995 until it was acquired in 1998. Mr. Lockhart has previously served as a director of Armstrong World Industries, Inc.

Amy E. Miles

Independent: Director since 2014
Areas of Expertise: CEO/Senior Officer; Finance/Accounting; Governance/Board; Marketing; Strategic Planning

Ms. Miles, 48, has served as Chief Executive Officer of Regal Entertainment Group, Inc., the largest movie theater company in the U. S., since 2009. Prior to that, she served as Executive Vice President, Chief Financial Officer, and Treasurer of Regal Entertainment Group, Inc. Miles joined Regal Cinemas Inc. as Senior Vice President Finance in 1999, after working with Deloitte & Touche LLP and PricewaterhouseCoopers LLP. Ms. Miles also serves as a director of Regal Entertainment Group, Inc., National CineMedia, Inc., and Townsquare Media, Inc.

Charles W. Moorman, IV

Director since 2005
Areas of Expertise: CEO/Senior Officer; Environmental/Safety; Governance/Board; Governmental Relations; Information Technology; Strategic Planning; Transportation

Mr. Moorman, 63, has been Chairman of Norfolk Southern Corporation since February 2006 and Chief Executive Officer since November 2005. Prior thereto he served as President, Senior Vice President Corporate Planning and Services, President Thoroughbred Technology and Telecommunications, Inc., Vice President Information Technology and Vice President Personnel and Labor Relations. He is also a director of Chevron Corporation. Effective June 1, 2015, he will step down as Chief Executive Officer and serve as Executive Chairman.

Martin H. Nesbitt

Independent: Director since 2013
Areas of Expertise: CEO/Senior Officer; Finance/Accounting; Governance/Board; Governmental Relations; Marketing; Strategic Planning

Mr. Nesbitt, 52, is the Co-Founder of The Vistria Group, a private equity firm. Mr. Nesbitt served as President and Chief Executive Officer of PRG Parking Management, LLC, an off-airport parking management company, and Managing Director of Green Courte Partners, LLC, a real estate investment firm, until 2012. Mr. Nesbitt is a director of Jones Lang LaSalle Incorporated and Pebblebrook Hotel Trust.

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James A. Squires

Director since 2014
Areas of Expertise: CEO/Senior Officer; Finance/Accounting; Governance/Board; Human Resources and Compensation; Strategic Planning; Transportation

Mr. Squires, 53, has been President of Norfolk Southern since 2013. Prior thereto he served as Executive Vice President-Administration, Executive Vice President-Finance and Chief Financial Officer, Senior Vice President Finance, Senior Vice President Law, and Vice President Law of Norfolk Southern Corporation. Effective June 1, 2015, he will assume the role of Chief Executive Officer and President.

John R. Thompson

Independent: Director since 2013
Areas of Expertise: CEO/Senior Officer; Finance/Accounting; Governance/Board; Governmental Relations; Information Technology; Marketing; Strategic Planning

Mr. Thompson, 63, has been a government relations consultant for Best Buy Co., Inc., a multinational consumer electronics corporation, since October 2012. Mr. Thompson served as Senior Vice President and General Manager of BestBuy. com from 2002 through 2012. Mr. Thompson is a director of Belk, Inc.

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ITEM 2: RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

At a meeting held on January 22, 2015, the Audit Committee of the Board of Directors appointed the firm of KPMG LLP (KPMG), independent registered public accounting firm, to perform for 2015 the integrated audit of our consolidated financial statements and internal control over financial reporting. KPMG and its predecessors have been retained as Norfolk Southern s external auditor since 1983 (and prior to that for one of our predecessor companies, Norfolk and Western Railway Company, since 1969).

Pursuant to its charter, the Audit Committee is directly responsible for the appointment, compensation, retention, and oversight of Norfolk Southern s independent registered public accounting firm. In connection with this oversight, the Audit Committee is involved in the selection of the lead audit partner for the engagement. In addition, the Audit Committee is responsible for negotiating and approving the fees paid to KPMG. In determining whether to reappoint KPMG this year, the Audit Committee reviewed the performance and independence of the firm and considered a number of factors, including the quality of its interactions and discussion with KPMG, the performance of the firm in the audit engagement, the qualifications of the audit team, and the length of time the firm has been engaged and whether rotation of the independent auditor would be in the best interest of Norfolk Southern. The Audit Committee and the Board of Directors believe that the continued engagement of KPMG as our independent registered public accounting firm is in the best interests of Norfolk Southern and its stockholders.

For the years ended December 31, 2014, and December 31, 2013, KPMG billed us for the following services:

	2014	2013
Audit Fees[1]	$ 2,414,800	$ 2,439,700
Audit-Related Fees[2]	$ 128,400	$ 127,800
Tax Fees[3]	$ 121,770	$ 40,890
All Other Fees	$ 0	$ 0
Total Fees	$ 2,664,970	$ 2,608,390

[1]Audit Fees include fees for professional services performed by KPMG for the audit of our consolidated financial statements and internal control over financial reporting (integrated audit), the review of our consolidated financial statements included in our 10-Q filings, and services that are normally provided in connection with statutory and regulatory filings or engagements.

[2]Audit-Related Fees principally include fees for audit-related tax services, employee benefit plan audits and audits of subsidiaries and affiliates, and other attestation services.

[3]Tax Fees consist of tax advice, planning, and consulting services.

The Audit Committee requires that management obtain prior approval from the Committee for all audit and permissible non-audit services to be provided. The Audit Committee considers and approves at each January meeting anticipated services to be provided during the year, as well as the projected fees for those services. The Audit Committee considers and pre-approves additional services and projected fees as needed at each meeting. The Audit Committee has delegated authority to its Chair to pre-approve services between meetings, provided that the Chair reports any such pre-approval to the Audit Committee at its next meeting. The Audit Committee will not approve non-audit engagements that would violate SEC rules or impair the independence of our independent registered public accounting firm. All services rendered to us by KPMG in 2014 and 2013 were pre-approved in accordance with these procedures.

Representatives of KPMG are expected to be present at the 2015 Annual Meeting, with the opportunity to make a statement if they so desire and available to respond to appropriate questions.

The Audit Committee recommends, and the Board of Directors concurs, that stockholders vote FOR the proposal to ratify the selection of KPMG as our independent registered public accounting firm for the year ending December 31, 2015.

Vote Required to Ratify Appointment: Under Virginia law and under our Restated Articles of Incorporation, actions such as the ratification of the appointment of auditors are approved, so long as a quorum for the meeting exists, if the number of votes cast favoring the action exceeds the number of votes cast opposing the action. Abstentions or shares that are not voted are not counted as cast for this purpose. Brokers have the authority to vote their customers shares on the ratification of the appointment of KPMG as our independent registered public accounting firm even if they do not receive instructions as to how to vote on the matter.

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ITEM 3: ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION

We are requesting that our stockholders approve, by advisory vote, the compensation of our Named Executive Officers, as such compensation is reflected in our Compensation Discussion and Analysis beginning on page 45 and our Executive Compensation Tables beginning on page 62. This Say-on-Pay vote is required by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. While the Say-on-Pay vote is advisory, and therefore not binding on the Board, the Compensation Committee will consider the results of any significant vote against the compensation of the Named Executive Officers and determine whether any actions are necessary or advisable to address the concerns expressed by stockholders. In accordance with the recommendation of our stockholders at the 2011 Annual Meeting, the Board of Directors has determined to seek a stockholder advisory vote on executive compensation annually until the next required vote on the frequency of such advisory votes. We are required to hold such frequency votes at least every six years.

Our Compensation Committee designed our executive compensation program with advice from its compensation consultant. The executive compensation program is designed to align executives compensation with our overall business strategies, attract and retain highly qualified executives, and provide incentives that drive stockholder value. The Compensation Committee approved a mix of salary, annual cash incentive and equity incentive compensation that it believes best serves the interests of Norfolk Southern and its stockholders in achieving those objectives.

The compensation of our Named Executive Officers in 2014 consisted primarily of the following components, all as described more fully in the Compensation Discussion and Analysis beginning on page 45:

Base Salary.

Annual Incentive: The annual incentive paid under the Executive Management Incentive Plan is based on performance against financial, operational and service metrics.

Long-Term Incentive Awards: Norfolk Southern s long-term equity incentive awards under the Long-Term Incentive Plan target longer-term achievement of corporate objectives and are designed to create an ownership culture among the executives of Norfolk Southern. Grants under the Long-Term Incentive Plan
include stock options, time-based restricted stock units and performance shares that are earned out based on achievement of corporate objectives over a three-year performance cycle, all as more fully described in the Compensation Discussion and Analysis.

Retirement Plans and Programs: Norfolk Southern s Retirement Plan and Supplemental Benefit Plan, both as more fully described in the Compensation Discussion and Analysis, provide retirement benefits to our Named Executive Officers and provide Norfolk Southern with the ability to retain key executives over a longer period.

The Board of Directors and its Compensation Committee believe the program for compensation of the Named Executive Officers is appropriately designed to support Norfolk Southern s goals and has an appropriate mix of cash and equity and an appropriate balance between short-term and long-term compensation. Accordingly, the Board of Directors recommends that stockholders approve the program by approving the following advisory resolution:

RESOLVED, that the stockholders of Norfolk Southern Corporation approve, on an advisory basis, the compensation of the individuals identified in the Summary Compensation Table, as disclosed in the Proxy Statement for the 2015 Annual Meeting of Stockholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the 2014 Summary Compensation Table and the other related tables and disclosures.

The Board of Directors recommends a vote FOR the resolution approving the compensation of our Named Executive Officers.

Vote Required: Under Virginia law and under our Restated Articles of Incorporation, actions such as the resolution on executive compensation are approved, so long as a quorum for the meeting exists, if the number of votes cast favoring the action exceeds the number of votes cast opposing the action. Abstentions or shares that are not voted are not cast for this purpose. Brokers do not have the authority to vote their customers shares on this matter if they do not receive instructions as to how to vote on this item.

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ITEM 4: APPROVAL OF NORFOLK SOUTHERN CORPORATION EXECUTIVE MANAGEMENT INCENTIVE PLAN, AS AMENDED (AMENDED EMIP)

Subject to stockholder approval at this meeting, the Board of Directors at its meeting on December 2, 2014, adopted certain amendments to the Norfolk Southern Corporation Executive Management Incentive Plan (Amended EMIP), as more fully described herein.

A copy of the Amended EMIP has been filed with the Securities and Exchange Commission as Appendix A to this proxy statement. The filing can be accessed at *www.sec.gov* or on Norfolk Southern s web site, *www.nscorp.com* in the Investors Relations section, under the Financial Reports and Proxy Statements subsection. In addition, stockholders who wish to request a paper copy of the Amended EMIP may contact: Denise W. Hutson, Corporate Secretary, Norfolk Southern Corporation, Three Commercial Place, Norfolk, Virginia 23510-9219 (telephone 757-823-5567).

The summary of the Amended EMIP set forth below describes only the material features of the plan. The Amended EMIP is available to stockholders, as noted above, and stockholders should reference the plan document as needed for other plan provisions and to clarify any part of this summary.

Purpose of EMIP and Certain Recent Amendments Thereto

The Norfolk Southern Corporation Executive Management Incentive Plan (EMIP) helps Norfolk Southern remain competitive in its ability to attract and retain qualified personnel by providing an annual cash incentive opportunity to Board-appointed officers with the rank of Vice President and above. See the Compensation Discussion and Analysis section that begins on page 45 of this proxy statement for information regarding our executive compensation strategy, including additional information about the annual cash incentive provided under EMIP. The amendment we are asking you to approve will allow Norfolk Southern the opportunity to make performance-based EMIP awards that are deductible under current tax laws.

On December 2, 2014, the Board approved the Amended EMIP, subject to stockholder approval at this meeting, primarily to qualify the annual incentive payments under the plan as performance-based compensation for purposes of Internal Revenue Code Section 162(m). Section 162(m) places a limit on the amount that a public company may deduct in a year for compensation

paid to the company s chief executive officer or any of the company s three other most highly compensated executive officers (other than its principal executive officer and principal financial officer) who are employed as of the end of the year. These individuals are defined as covered employees in Section 162(m).

However, performance-based compensation under Section 162(m) that is paid to a covered employee is not subject to the limitation on tax deductibility. One of the requirements to qualify as performance-based compensation under Section 162(m) is that stockholders have approved the plan under which the awards are granted and the material terms of the performance goals pursuant to which compensation is paid within the previous five years. Norfolk Southern s stockholders last approved the EMIP in May 2010 with 94.9% of the vote for approval, excluding abstentions and shares that were not voted. Norfolk Southern is seeking stockholder approval of the Amended EMIP to assure that the plan can continue to provide participants with performance-based compensation that is deductible under current tax laws and regulations. However, Norfolk Southern reserves the right to pay compensation under the Amended EMIP that does not qualify as performance-based compensation under Section 162(m) as circumstances may warrant, as described in *Impact of the Tax Treatment of Awards on Norfolk Southern s Compensation Policies* on page 60 of this proxy statement. Approval of this Item 4 will constitute approval of the Amended EMIP, including the material terms of the performance standards in the plan.

Since EMIP was last approved by stockholders in May 2010, the Board has made the following changes in the Amended EMIP, each as further described below:

(1) *Maximum Amount of Award* In April 2012, the Board amended EMIP to provide that bonuses paid to any executive under the plan will not exceed the lesser of three tenths of one percent of Norfolk Southern s income from railway operations for the

incentive year or ten million dollars. The Committee and the Board adopted this limit in response to concerns expressed by its stockholders, and incentives paid under EMIP have not exceeded this cap.

(2) *Performance Standards* In addition to reapproving the previously established performance standards, the Amended EMIP

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clarifies that the performance standards may be measured on an absolute or relative basis and may include service measures and network performance.

(3) *Adjustment of Earnout* The Amended EMIP provides the Committee with additional flexibility to adjust the corporate performance factor for litigation, changes in tax law or accounting principles, or accruals of amounts for payment under the plan.

(4) *Authority for Plan Amendments* The Amended EMIP provides the chief executive officer with the authority to adopt amendments that are ministerial, substantively administrative, or necessary to comply with statutory or other legally mandated requirements, and which do not have a material cost to Norfolk Southern.

Summary of Important Features of the Amended EMIP

The following paragraphs summarize the material terms of the Amended EMIP, including the Amended EMIP s provisions regarding administration, eligibility, establishment and payment of annual incentive awards, individual performance adjustments, amendment and termination of the Amended EMIP, and the benefits under the Amended EMIP. The summary is qualified in its entirety by reference to the full text of the Amended EMIP.

Administration

The Amended EMIP can be administered by the Compensation Committee or any other committee of Norfolk Southern s Board of Directors authorized to grant awards under the plan (the Committee). It is intended that each member of the Committee qualify as an outside director (as defined under Section 162(m)) and as an independent director under the rules of the New York Stock Exchange. The Committee has the sole discretion, subject to certain limitations, to interpret the Amended EMIP; to select eligible officers for participation; to determine the bonus levels under the Amended EMIP; to select performance criteria from the list specified in the plan and assign weights to the selected performance criteria; to set performance goals; and to adopt, amend and rescind rules relating to the Amended EMIP.

Eligibility

Board-elected officers at the level of Vice President and above are eligible to be selected by the Committee for participation in the plan. As of February 1, 2015,

there were 29 Board-elected officers at the level of Vice President and above eligible to participate in the plan.

Establishment of Incentive Groups, Bonus Levels, and Performance Standards

Not later than the first ninety days of an incentive year, the Committee establishes incentive groups and sets the bonus level for each incentive group. The bonus level is set as a percentage of a participant s incentive-year salary. Each incentive year, the Committee selects one or more performance criteria and establishes performance goals for the selected criteria.

The Committee selects from among the following performance criteria or any combination thereof:

Earnings measures (including net income, earnings per share, income from continuing operations, income before income taxes, income from railway operations); return measures (including net income divided by total assets, return on shareholder equity, return on average invested capital); service measures (including connection performance, train performance, plan adherence); cash flow measures (including operating cash flow, free cash flow); productivity measures (including total operating expense per thousand gross ton miles or revenue ton miles, total operating revenue per employee, total operating expense per employee, gross ton miles or revenue ton miles per employee, carloads per employee, revenue ton miles per mile of road operated, total operating expense per carload, revenue ton miles per carload, gross ton miles or revenue ton miles per train hour, percent of loaded-to-total car miles, network performance); fair market value of shares of Norfolk Southern s common stock; revenue measures; expense measures; operating ratio measures; customer satisfaction measures; working capital measures; cost control measures; economic value added measures; and safety measures.

The Committee has discretion to apply performance criteria on a corporate, division or department level and to assign weights to each selected performance criterion or any combination thereof. The Committee may establish performance goals for the performance criteria it selects either solely with respect to Norfolk Southern s performance or by comparison to a published market or industry index.

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Payment of Annual Incentive Awards

A participant s annual incentive award is equal to the product of the corporate performance factor for the incentive year times the applicable bonus level times the participant s salary for the incentive year.

At the end of each incentive year, the Committee determines the extent to which the established performance goals have been achieved for the incentive year and the corporate performance factor based upon Norfolk Southern s performance with respect to that incentive year s goals. In determining the corporate performance factor, special charges and restructuring charges, unusual or infrequent accounting adjustments which are significant, and restatements or reclassifications, all as determined in accordance with Generally Accepted Accounting Principles, will be excluded if they would have the effect of reducing the corporate performance factor, and will be included if they would have the effect of increasing the corporate performance factor, unless the Committee determines otherwise. The Committee also has discretion to include or exclude any of the following events in determining whether the corporate performance factor has been achieved: (a) litigation, claims, judgments, settlements or loss contingencies, (b) the effect of changes in tax law, accounting principles, or other such laws or provisions affecting reported results, or (c) accruals of any amounts for payment under the Plan or any of our other compensation arrangements.

Participants may elect to defer all or a portion of awards under the Amended EMIP to Norfolk Southern s Executives Deferred Compensation Plan.

Individual Adjustments

The Amended EMIP provides that the Committee may review the performance of any of the covered employees and reduce the payment. For all other participants, the Amended EMIP provides that the chief executive officer may review the participant s performance and increase or decrease the award of any such participant, provided that the amount of any increase will not exceed 25 percent of the award otherwise payable.

Clawback Provision

The Board of Directors may require reimbursement of all or any portion of an excess bonus that was paid to a participant under the plan if financial results are restated due to Norfolk Southern s material noncompliance with any financial reporting requirement under the securities laws and if the excess bonus was distributed within three

years of the date that the restatement was disclosed. The excess bonus is the difference between the bonus paid to the individual and the bonus that would have been paid if calculated using the restated financial statements. Norfolk Southern is not required to award an additional annual incentive to participants if restated financial earnings would result in a higher payment. A bonus may also be recouped as necessary to comply with the law.

Amendment or Termination

The Amended EMIP will be effective the date the plan is approved by stockholders. The chief executive officer may make any amendments to the plan that are, in his or her discretion, ministerial, substantively administrative, or necessary to comply with statutory or other legally mandated requirements, where the implementation of such amendment does not result in a material cost to Norfolk Southern. All other amendments to the plan and any termination of the plan must be made by the Board of Directors, provided that no amendment or termination may deprive a participant of any rights previously accrued. A termination may not be effective for the same incentive year in which the Board took the necessary action to terminate the Amended EMIP.

Benefits Under the Plan

While the Amended EMIP will be effective the date the plan is approved by stockholders, the selection of performance criteria must be made within ninety days of the beginning of an incentive year and, as a result, the Amended EMIP will not be used by the Committee until the 2016 incentive year. Since the Board will not set the Executive Officers 2016 base salaries and bonus levels until late 2015, and the Committee will not establish 2016 performance criteria and performance goals until early 2016, it is not possible to determine the dollar value of the incentive opportunity or the actual amount of incentive pay that will be available for the 2016 incentive year (the first full incentive year in which Amended EMIP is effective). In addition, the benefits that may be paid under the Amended EMIP are not determinable for the 2015 fiscal year because Norfolk Southern cannot determine the extent to which the performance goals will be achieved in 2015.

Because the benefits that may be paid under the Amended EMIP are not determinable, the following chart shows the annual incentives that were paid under the existing EMIP for the 2014 fiscal year. A discussion of the performance criteria selected for the EMIP awards for 2014 and the results based on Norfolk Southern s performance for that year, is found under the heading *Annual Incentive* beginning on page 54 of this proxy statement.

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NEW PLAN BENEFITS[1] TABLE

Norfolk Southern Corporation
Executive Management Incentive Plan
(indicates benefits that were earned
in 2014 under the existing EMIP)

Name and Position	Dollar Amount
C. W. Moorman, Chairman and CEO	$1,813,500
J. A. Squires, President	$906,750
M. R. Stewart, Executive VP and CFO	$544,050
D. H. Butler, Executive VP Planning and Chief Information Officer	$652,860
M. D. Manion, Executive VP Operations	$652,860
All Current Executive Officers as a Group[2]	$6,562,654
All Current Directors Who Are Not Executive Officers as a Group[3]	$0
All Current Officers Who Are Not Executive Officers, as a Group	$4,424,135

[1]The benefits included in this table are not new benefits; rather they are the benefits that were paid to officers under the existing EMIP for fiscal year 2014. Such awards were not contingent in any way upon results of the stockholder vote on this Amended EMIP.

[2]Includes officers, other than the officers listed individually in the table, who have been designated by the Board of Directors as Executive Officers for purposes of Section 16 of the Securities Exchange Act of 1934.

[3]Directors who are not officers are not eligible for Amended EMIP but are listed in the table to comply with SEC guidance.

The Board of Directors recommends a vote FOR approval of the Norfolk Southern Corporation Executive Management Incentive Plan, as amended.

Vote Required: Under Virginia law, and under our Restated Articles of Incorporation and Bylaws, this proposal is approved, so long as a quorum for the meeting exists, if the votes cast favoring the action exceed the votes opposing the action. Abstentions or shares that are not voted are not counted as cast for this purpose. Brokers do not have the authority to vote their customers shares on this matter if they do not receive instructions as to how to vote on this item.

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ITEM 5: APPROVAL OF NORFOLK SOUTHERN CORPORATION LONG-TERM INCENTIVE PLAN, AS AMENDED (AMENDED LTIP)

Subject to stockholder approval at this meeting, the Board of Directors at its meeting on January 23, 2015, adopted certain amendments to the Norfolk Southern Corporation Long-Term Incentive Plan (Amended LTIP), as more fully described herein.

A copy of the Amended LTIP has been filed with the Securities and Exchange Commission as Appendix B to this proxy statement. The filing can be accessed at *www.sec.gov* or on Norfolk Southern s web site *www.nscorp.com* in the Investor Relations section, under the Financial Reports and Proxy Statements subsection. In addition, stockholders who wish to request a paper copy of the Amended LTIP may contact: Denise W. Hutson, Corporate Secretary, Norfolk Southern Corporation, Three Commercial Place, Norfolk, Virginia 23510-9219 (telephone 757-823-5567).

The summary of the Amended LTIP set forth below describes only the material features of the plan. The Amended LTIP is available to stockholders, as noted above, and stockholders should reference the plan document as needed for other plan provisions and to clarify any part of this summary.

Purpose of the Amended LTIP

The Norfolk Southern Corporation Long-Term Incentive Plan (LTIP) helps drive the success of Norfolk Southern by providing an opportunity for non-employee directors, officers and other employees to acquire an ownership interest in Norfolk Southern and provide alignment of interest with its stockholders. We believe that this ownership interest provides participants with an additional incentive to devote their maximum efforts and skills to the advancement of Norfolk Southern. The LTIP also helps Norfolk Southern remain competitive in its ability to attract and retain qualified personnel. See the Compensation Discussion and Analysis section contained in this proxy statement for information regarding our executive compensation strategy, including additional information about the LTIP provided under the heading *Long-Term Incentive Awards* on page 56 of this proxy statement. LTIP was last approved by our stockholders at their Annual Meeting on May 13, 2010.

The Amended LTIP permits the grant of non-qualified stock options, incentive stock options, stock appreciation rights (settled in cash or in shares of stock as exercise gain shares), restricted shares, restricted stock units (settled in

cash or in shares of stock as restricted stock unit shares), and performance share units (settled in cash or in shares of stock as performance shares).

The following paragraphs summarize the material terms of the Amended LTIP, including the proposed material changes made in the Amended LTIP. The summary is qualified in its entirety by reference to the full text of the Amended LTIP.

Summary of Proposed Material Changes

Our Board of Directors approved the Amended LTIP on January 23, 2015, subject to stockholder approval at this meeting. The proposed material changes to the Amended LTIP are:

(1) *Shares Available* Under LTIP, last approved by stockholders at their 2010 Annual Meeting, a total of 3.9 million shares of Norfolk Southern s authorized but unissued Common Stock remained available for future grants to participants as of February 1, 2015. Under the Amended LTIP, an additional 8 million shares of Norfolk Southern s stock are approved for issuance as of May 14, 2015.

(2) *Maximum Award* The Amended LTIP provides that the maximum award of options, stock appreciation rights, restricted shares, restricted stock units and performance shares that can be made to a participant in one year is 1 million shares of stock underlying the awards and limits the annual aggregate grant date fair value of awards that can be made to a non-employee director to $500,000.

(3) *Vesting Period* The LTIP previously required that the Committee impose a minimum restriction period of three years and a maximum restriction period of five years for grants of restricted shares and restricted stock units. The Amended LTIP eliminates the maximum restriction period and lowers the minimum restriction period for grants to non-employee directors from three years to one year. The Amended LTIP revises the definition of retirement for non-employee directors to eliminate the requirement to serve for two consecutive years to retain an award granted under the plan.

(4) *Eliminate Potential Tax Gross-Up Payments* The Amended LTIP eliminates tax gross-up payments following a change in control of Norfolk Southern on awards that are subject to a retention agreement.

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(5) *Payment of Dividends* The Amended LTIP clarifies that if dividends are authorized on restricted shares subject to performance goals, then the dividends may be paid only to the extent that the performance goals are achieved.

(6) *Accelerated Distribution on Death* The Amended LTIP accelerates the distribution of restricted shares and restricted stock units to the beneficiary following a participant s death if the award was not subject to performance goals.

(7) *Eliminate Adjustments for Individual Performance* The Amended LTIP eliminates Committee discretion to adjust the payout of restricted shares, restricted stock units and performance shares based on individual performance.

(8) *Performance Standards* In addition to reapproving the previously established performance standards, the Amended LTIP clarifies that performance standards may be measured on an absolute or relative basis and may include network performance and economic value added measures.

(9) *Compliance With Code Section 162(m)* Section 162(m) of the Internal Revenue Code places a limit on the amount that a public company may deduct in any one taxable year for compensation paid to the company s chief executive officer or any of the company s three other most highly compensated executive officers (other than its principal executive officer and principal financial officer) who are employed as of the end of the year. These individuals are defined as covered employees in Section 162(m). However, performance-based compensation under Section 162(m) that is paid to a covered employee is not subject to the limitation on tax deductibility. One of the requirements to qualify as performance-based compensation under Section 162(m) is that stockholders have approved the plan under which the awards are granted and the material terms of the performance goals pursuant to which compensation is paid within the previous five years. Norfolk Southern s stockholders last approved the LTIP in May 2010 with 93.0% of shareholders approving, excluding abstentions and shares that were not voted. Norfolk Southern is seeking stockholder approval of the Amended LTIP to assure that the plan can continue to provide participants with performance-based compensation that is deductible under current tax laws and regulations. However, Norfolk Southern reserves the right to pay compensation under the Amended LTIP that does not qualify as

performance-based compensation as circumstances may warrant, as described in *Impact of the Tax Treatment of Awards on Norfolk Southern s Compensation Policies* on page 60 of this proxy statement.

(10) *Automatic Prorated Award for Certain Non-Employee Directors.* The Amended LTIP provides an automatic award for new non-employee directors under the same terms as granted to other non-employee directors that year (if any grant was made), prorated based on the number of days remaining in the calendar year of the individual s becoming a director.

Summary of the Important Features of the Amended LTIP

Administration

The Amended LTIP can be administered by the Compensation Committee or any other committee of Norfolk Southern s Board of Directors authorized to grant awards under the Amended LTIP (the Committee). It is intended that each member of the Committee qualify as an outside director (under Section 162(m)), as a non-employee director under Rule 16b-3 of the Securities Exchange Act of 1934, and as an independent director under the rules of the New York Stock Exchange. The Committee has the sole discretion, except as may be delegated to the chief executive officer, to interpret the Amended LTIP; to select participants; to determine the type, size, terms and conditions of awards; to authorize the grant of awards; and to adopt, amend and rescind rules relating to the Amended LTIP. The Committee may delegate authority to the chief executive officer to select the officers and employees who participate in the Amended LTIP (provided, however, that only the Committee may grant awards to the chief executive officer and Executive Officers); to determine the type, size, terms and conditions of awards under the Amended LTIP; and to authorize the grant of awards.

The Amended LTIP permits the Committee to authorize the exchange of a new award for one that currently is outstanding only in the event of a merger or consolidation of Norfolk Southern and only to the extent such exchange is permissible under Internal Revenue Code Section 409A.

Eligibility

To be eligible to be a participant in the Amended LTIP, an individual on the date an award is made must be a full-time nonagreement officer or employee who is a participant in Norfolk Southern s Executive Management Incentive

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Plan or Management Incentive Plan, or be designated as a full-time nonagreement employee of Norfolk Southern or its subsidiaries who can make an appreciable contribution to the attainment of Norfolk Southern s overall business objectives, as determined by the Committee, and reside in the United States or Canada. Non-employee directors of Norfolk Southern are also eligible for selection by the Committee to participate in the Amended LTIP. As of February 1, 2015, there were 11 non-employee directors, 9 officers designated as executive officers (Executive Officers) by Norfolk Southern s Board of Directors, and 20 participants (other than Executive Officers) in the Executive Management Incentive Plan or Management Incentive Plan who were eligible for selection by the Committee to participate in the Amended LTIP.

Fungible Share Ratio

The Amended LTIP maintains a fungible share reserve ratio so that, for awards granted after the date of the stockholders 2010 Annual Meeting, the number of shares remaining available for issuance under the Amended LTIP will be reduced by 1 for each award granted as an option or stock-settled stock appreciation right, or by 1.61 for each full value award (i.e., restricted shares, restricted stock units, or performance share units).

Under the Amended LTIP, shares that are forfeited, cancelled, exchanged, surrendered, terminated or expired again are available for awards under the plan, using the same fungible share ratios as applied to the shares that were forfeited. Thus, if a stock-based award other than an option or a stock appreciation right is forfeited, then 1.61 shares will again be available for awards under the plan for every one share or unit forfeited. However, the following shares will not be available again for awards under the plan: (1) shares not issued or delivered as a result of the net settlement of an outstanding stock appreciation right or option, (2) shares used to pay the exercise price or withholding taxes related to an outstanding award, or (3) shares repurchased on the open market with proceeds of an option exercise.

Incentive Stock Options

The Committee may grant incentive stock options, as defined under Internal Revenue Code Section 422, which are subject to the following terms and conditions: (1) the option price per share will be determined by the Committee but will not, in any event, be less than 100% of the fair market value of the stock on the award date; (2) the term of the option will be fixed by the Committee but will not, in any event, exceed ten years from the

date the option is granted; (3) options may be exercised during the lifetime of the participant, and following his death only by the beneficiary (or, if the beneficiary dies after the participant, but before the option is exercised and before such rights expire, by the beneficiary s estate) but otherwise options may not be assigned or alienated; (4) options will not be exercisable before one year after the date of grant, or such longer period as the Committee may determine; (5) the purchase price of stock upon exercise of an option will be paid to Norfolk Southern at the time of the exercise of the option in cash, or at the discretion of the Committee, by surrender of shares of previously acquired Norfolk Southern stock which have been held by a participant for at least six months next preceding the date of exercise and which will be valued at fair market value on the date of the option exercise; and (6) an option will expire upon the earliest of (i) the expiration of its term, (ii) for a participant whose employment is terminated due to retirement, disability or death, the expiration of its term (except as otherwise provided by the Committee), (iii) the last day of active service of a participant whose employment is terminated for any reason other than retirement, disability or death, (iv) the last day of employment of a participant who is granted a leave of absence if the participant s employment terminates at any time during or at the end of the leave of absence, or (v) in connection with the merger or consolidation of Norfolk Southern, the date of grant of a new award to replace the option.

Non-Qualified Stock Options

The Committee may authorize the grant of non-qualified stock options subject to the same terms, conditions and restrictions previously set forth for incentive stock options.

Stock Appreciation Rights

The Committee may grant a stock appreciation right (SAR) in tandem with an option or on a stand alone basis. If granted in connection with an option, the SAR can be exercised on the same basis as the option to which it relates. If granted on a stand alone basis, the SAR can be exercised at a price not less than 100% of the fair market value of Norfolk Southern s stock on the award date and during a term not exceeding 10 years from the award date. The Committee may provide that the SAR will be settled in cash (cash-settled SAR) or in shares of Norfolk Southern stock (stock-settled SAR).

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Upon exercise, tandem and stand alone SARs entitle a participant to receive shares of common stock equal to the number of shares of stock that have an aggregate fair market value on the exercise date equal to the amount by which the fair market value of one share of stock exceeds the option price per share of the related option, multiplied by the number of shares covered by the related option. If granted in tandem with an option, a participant must surrender to Norfolk Southern the related unexercised option in order to exercise the SAR.

Upon exercise of a cash-settled SAR, a participant receives cash equal to the amount by which the fair market value of a share of stock on the date of exercise exceeds the option price per share of the related option, multiplied by the number of shares covered by the related option.

Restricted Shares and Restricted Stock Units

The Committee may grant restricted shares or restricted stock units subject to a restriction period of not less than 36 months, or for non-employee directors not less than 12 months.

Restricted shares are subject to any restrictions the Committee establishes (including any limitation on the right to vote restricted shares or the right to receive dividends), and the restrictions may lapse separately or in combination. Until the restriction period lapses, the participant may not sell, transfer, assign, pledge or otherwise dispose of the shares.

The Committee may authorize that restricted stock units be payable in cash or in shares of stock following the later of the end of the restriction period or any applicable retention agreement. During the restriction period, a participant will not have beneficial ownership interest in the stock underlying the units and will not have the right to vote the shares or receive dividends.

The Committee determines at the time an award is granted whether restricted shares or restricted stock units are subject to achievement of specified performance goal(s) and whether the restriction period is subject to early termination upon achievement of the goals. Restricted shares, including any dividends, and restricted stock units will be forfeited to the extent any performance goals are not achieved.

Restricted shares and restricted stock units will be forfeited upon termination of employment before the end of the restriction period, unless a participant s employment is terminated by retirement, disability or death. The Committee may waive any or all restrictions

on restricted shares and restricted stock units awarded under the Amended LTIP. If the restrictions are waived, restricted stock units will be settled on the same date as would have applied absent a waiver of restrictions if no performance goals were imposed, or within two and one half months after the end of the year in which all restrictions are either waived or satisfied if performance goals were imposed.

Performance Share Units

The Committee may grant performance share units (PSUs) which entitle the participant to receive shares of stock or cash (or a combination thereof) as determined by the Committee, upon achievement of performance goals over a specified performance cycle. The Committee selects performance criteria, establishes the performance goals and determines the performance cycle over which the selected goals will apply. The Committee determines whether the goals have been met and authorizes the issuance of performance shares to participants. PSUs are forfeited to the extent performance goals are not achieved.

If a participant s employment terminates before the end of the performance cycle for any reason other than retirement, disability or death, the participant forfeits all PSUs.

Performance Criteria

For performance share units and for any restricted shares or restricted stock units that are subject to performance goals, the Committee selects one or more of the following performance criteria:

Earnings measures (including net income, earnings per share, income from continuing operations, income before income taxes, income from railway operations); return measures (including net income divided by total assets, return on shareholder equity, return on average invested capital); cash flow measures (including operating cash flow, free cash flow); productivity measures (including total operating expense per thousand gross ton miles or revenue ton miles, total operating revenue per employee, total operating expense per employee, gross ton miles or revenue ton miles per employee, carloads per employee, revenue ton miles per mile of road operated, total operating expense per carload, revenue ton miles per carload, gross ton miles or revenue ton miles per train hour, percent of loaded-to-total car miles, network performance); fair market value of shares of Norfolk Southern s Common Stock;

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revenue measures; expense measures; operating ratio measures; customer satisfaction measures; working capital measures; cost control measures; total shareholder return measures; economic value added measures; and safety measures.

The Committee sets the performance goals and weighting percentages for the criteria and determines the length of the performance period and/or restriction period, if applicable, over which the selected performance goals apply.

After the end of the performance cycle, the Committee determines the extent to which the Performance Goals were achieved. Special charges and restructuring charges, unusual or infrequent accounting adjustments which are significant, and restatements or reclassifications, all as determined in accordance with Generally Accepted Accounting Principles, are excluded if they would have the effect of reducing the percentage of performance goals achieved, and are included if they would have the effect of increasing the percentage of performance goals achieved, unless the Committee determines otherwise.

Retention Agreements

The Committee may require as a condition of restricted stock units that the participant enter into a retention agreement with Norfolk Southern providing that shares or cash to be earned at the end of the restriction period are subject to retention for a specified period of time.

In addition, the Committee may require that exercise gain shares, performance shares, restricted shares, or restricted stock unit shares are subject to retention. In that case, the shares of stock underlying the awards will be held by Norfolk Southern until expiration of the retention period (or waiver of the retention period by the Committee). Shares subject to retention cannot be sold, transferred, assigned, pledged, conveyed or otherwise disposed of by the participant.

Retention periods cease upon a Change in Control. Generally, a Change in Control occurs if: (1) any person becomes the beneficial owner of 20% or more of the stock, (2) any consolidation or merger occurs in which Norfolk Southern is not the surviving corporation or any sale or lease of substantially all Norfolk Southern s assets occurs, or (3) within any period of two consecutive years the composition of the Board of Directors of Norfolk Southern changes such that the directors in office at the beginning of the period (along with any new directors elected by at least two thirds of the incumbent directors) no longer constitute a majority of the Board.

Dividend Equivalent Payments

The Committee may authorize the immediate payment of dividend equivalents on stock covered by an option or stock appreciation right in an amount equal to, and commensurate with, dividends paid on Norfolk Southern s stock. Dividend equivalents on options or SARs may be paid in cash or stock.

The Committee may authorize the immediate or deferred payment of dividend equivalents on stock underlying restricted stock units that are not subject to performance goals, payable in cash or stock. The Committee also may authorize the deferred payment of dividend equivalents on stock underlying performance share units or restricted share units subject to performance goals. Deferred dividend equivalents for awards subject to performance goals may be paid only to the extent that performance goals on the underlying award are achieved are payable in cash or converted to additional performance shares or restricted stock unit shares (as applicable).

Dividend equivalents are not paid or accrued during a participant s leave of absence.

Non-Compete Covenants

The Committee may require as a condition of any award that the participant enter into a non-compete, non-solicitation and confidentiality agreement, and/or that the award is subject to immediate forfeiture if the participant engages in competing employment for a specified period of time following termination of employment.

Amendment or Termination

The Board of Directors may at any time further amend the Amended LTIP, provided that no change in any awards previously granted to a participant can be made which would impair the rights of a participant without that participant s consent. In addition, the Board may not, without stockholder approval, make any amendment that materially increases the benefits accruing to participants under the plan, materially increases the number of securities that may be issued under the plan, or materially modifies the requirements for participation in the plan or where such approval otherwise is necessary to comply with listing standards of the New York Stock Exchange, the requirements of any rule(s) under Section 16 of the Securities Exchange Act of 1934 or other Federal or state laws or regulations as may be applicable.

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Tax Status

Under current Federal income tax laws, the principal Federal tax consequences to participants and Norfolk Southern of the grant and exercise of incentive stock options and non-qualified stock options are summarized below:

Incentive Stock Options. No income results to a participant upon the grant or exercise of an incentive stock option, provided that (1) there is no disqualifying disposition of option stock within one year after the transfer of option stock to the participant; and (2) the participant is an employee of Norfolk Southern at all times during the period beginning on the date of grant and ending on the date three months (or twelve months in the case of a participant who is totally and permanently disabled) prior to the date of exercise. In the event of a disposition of option stock following the expiration of one year after the transfer of the stock to the participant, any gain or loss, equal to the difference between the amount realized upon the disposition and the option price, generally will be taxable as long-term capital gain or loss. In the event of a disqualifying disposition of option stock prior to the expiration of the one-year holding period, the participant will recognize ordinary income equal to the excess of the fair market value of the option stock at the time of exercise (or the amount realized upon such disposition, if less) over the option price. If the amount realized upon the disqualifying disposition exceeds the fair market value of the option stock at the time of exercise, the excess will be taxable as short-term capital gain. If the amount realized upon the disqualifying disposition is less than the

option price, the participant will recognize a short-term capital loss equal to the excess of the option price over the amount realized.

No deduction is allowable to Norfolk Southern upon the grant or exercise of an incentive stock option. In the event that a participant recognizes ordinary income as a result of a disqualifying disposition of the option stock, Norfolk Southern generally will be entitled to a deduction in an amount equal to the ordinary income recognized by the participant.

Non-Qualified Stock Options. No income is recognized upon the grant of a non-qualified stock option. The participant recognizes ordinary income upon exercise of the non-qualified stock option equal to the excess of the fair market value of the option stock on the date of exercise over the option price.

Norfolk Southern generally will be entitled to a deduction equal to the ordinary income recognized by the participant in the same taxable year in which the participant recognizes ordinary income with respect to non-qualified stock options.

Awards

Grants under the plan are made solely in the discretion of the Committee, and, if properly delegated, the chief executive officer. For this reason, it is not possible to determine the grants that will be made to our directors, officers or other employee participants if stockholder approval is obtained.

Outstanding Awards as of February 1, 2015

As of February 1, 2015, there were:

2,054,025 performance sh