

March 14, 2024

Surface Transportation Board
395 E Street SW
Washington, DC 20423
Attn: Chairman Martin J. Oberman

Subject: Norfolk Southern Corporation

Dear Chairman Oberman and Members of the STB Board,

Ancora Holdings Group, LLC (together with its affiliates, “Ancora” or “we”) is an Ohio-based financial services firm that is just a short drive from a community that you, unfortunately, know too well: East Palestine, Ohio. We have tremendous respect for the Surface Transportation Board (the “STB”) and its mission. Moreover, our proposed director candidates and suggested management team for Norfolk Southern Corporation (“Norfolk Southern” or the “Company”) recognize the important role that the STB plays in the economic regulation of America’s railways.

We are writing in response to your letter dated March 8, 2024, which stated you are “disappointed” with us, as well as your commentary in a recent article in *The Wall Street Journal* following Norfolk Southern’s latest derailment in Lower Saucon Township. Your time is valuable, so we have summarized our position below, and as a productive next step, we suggest a discussion with yourself and the continuing Board Members once we have had a chance to make public our 100-day and initial operating plan in accordance with U.S. Securities and Exchange Commission disclosure requirements for investor communications. We expect those filings to be made by mid-April allowing us ample time to coordinate calendars ahead of the Norfolk Southern Annual Meeting.

Before we schedule this important meeting, we wanted to take a moment to address your recent comments because we believe our views and plans have not been accurately conveyed. We, along with our proposed director candidates and suggested management, have a deep understanding of how freight moves, and we are not advocating for the “same old corporate strategy.”¹

We are advocating for a strategy that has no emphasis on headcount reductions or short-sighted tactics and has already had a profound impact on improving operating models and lowering accident rates in the railroad industry. This is in comparison to Alan Shaw and Norfolk Southern’s lax operating culture and associated lack of discipline that have translated into operational and safety deficiencies.

We have a vision for driving the long-term success of Norfolk Southern and delivering benefits to all of its stakeholders, as summarized below:

¹ [“Railroad Workers Were Ready to Strike. Now They’re Fighting to Save Their CEO.”](#) The Wall Street Journal, March 4, 2024.

- We want Norfolk Southern to have a management team with experience in moving freight safely. That is why we have proposed Jim Barber as Norfolk Southern’s new CEO. As COO of UPS, he was one of the country’s largest railroad customers and a highly respected transportation network leader. We have also proposed Jamie Boychuk, a lifelong railroader with an outstanding safety record, as Norfolk Southern’s new COO. Mr. Boychuk enabled CSX Corp. to go two years without a fatality or life-changing incident (including 2022, when CSX was the only Class I railroad without a fatality).
- Our strategy begins with a “Safety-First Culture” and is rooted in protecting human capital to better service customers. When implemented correctly by qualified individuals like Mr. Barber and Mr. Boychuk, scheduled railroading has resulted in vastly improved service and safety.
- To support this strategy, and Mr. Barber and Mr. Boychuk, we have nominated eight highly qualified and independent director candidates who collectively possess significant experience in the railroad and transportation sectors, strategic planning, safety, finance, corporate governance, and legislative and regulatory affairs. We have been thoughtful with who we have proposed as board nominees in order to make the necessary safety and operational decisions, unlike Norfolk Southern’s recent rushed board refresh that included no Class I executives or relevant former government leaders.
- Our strategy accounts for objectives like cutting down on congestion and reducing unpredictable workloads that lead to exhaustion-driven mistakes. Like others, we believe that a well-run railroad is also a safer railroad² and we have publicly committed to pursuing “stronger growth” and implementing a “reliable network strategy that will leverage Norfolk Southern’s existing assets and people to get the organization to the right destination.”
- We have already made safety commitments because we realize that conductors, engineers and other workers on the railroad are the essential factor in ensuring safe and productive operations. We have announced our firm support for a policy that would ensure that every Norfolk Southern train operating on a mainline has a two-person crew – something Mr. Shaw will not commit to maintaining – to empower operators to identify, assess and resolve problems.

It is not surprising that Norfolk Southern is trying to divert attention away from its record of value destruction, strategic missteps and persistent safety lapses. In our view, the most conclusive proof that Norfolk Southern is not motivated to adequately and safely deliver for its stakeholders comes from Mr. Shaw’s boardroom allies, who rewarded him with a massive raise and total compensation of \$13.4 million during the same year he presided over industry-worst operating results, sustained underperformance and a tone-deaf response to the derailment in East Palestine.

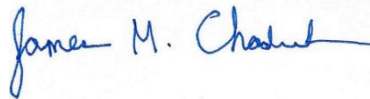
² Deutsche Bank Research: Our thoughts on NSC’s Response, February 27, 2024.

In closing, our plan is to meet with the full STB Board once we finalize our projections and engage with certain proxy advisory firms so all material will be public and available for discussion. During our meeting, we would also like to discuss the proposed reciprocal switching rule so that we may better understand how to best align our plan for Norfolk Southern to deliver world-class customer service safely and efficiently. In the meantime, we will continue to do our part on behalf of investors holding \$1.1 billion in stock and who are interested in the Company's long-term future. You can find more information about our strategy and the backgrounds of our proposed board nominees and management candidates at www.MoveNSCForward.com.

Sincerely,



Frederick D. DiSanto
Chairman and Chief Executive Officer
Ancora Holdings Group LLC



James Chadwick
President
Ancora Alternatives LLC

cc: Patrick J. Fuchs, Member
Michelle A. Schultz, Member
Robert E. Primus, Member
Karen J. Hedlund, Member