



**OFFICE OF
STATE TREASURER
DENISE L. NAPIER**

NEWS

FOR IMMEDIATE RELEASE
Monday, February 5, 2001

NORFOLK SOUTHERN CORPORATION AGREES TO EXPAND BOARD OF DIRECTORS; CONNECTICUT TREASURER SOUGHT ADDITIONAL INDEPENDENT MEMBERS

State Pension Fund is Shareholder; Nappier Praises Company's Responsiveness

Following discussions initiated by Connecticut State Treasurer Denise L. Nappier, Norfolk Southern Corporation has indicated that they intend to add two new outside independent board members to their 9-member Board of Directors by the end of 2001. These directors would stand for election to the Board by Norfolk's shareholders at their 2002 annual meeting.

Treasurer Nappier is the principal fiduciary of the \$21 billion Connecticut Retirement Plans and Trust Funds (CRPTF). The state pension fund holds 67,300 shares of Norfolk Southern valued at approximately \$896,000.

Norfolk Southern Corporation, a Virginia-based holding company with headquarters in Norfolk, Va., owns all the common stock of and controls a major freight railroad, Norfolk Southern Railway Co. In addition, it owns a natural resources company, Pocahontas Land Corp., and a telecommunications company, Thoroughbred Technology and Telecommunications, Inc. The railroad system's owned and operated lines extend over approximately 21,800 miles of road in 22 states, the District of Columbia and the Province of Ontario, Canada.

"Norfolk Southern has been extremely responsive to the issue we raised, and they have demonstrated their solid commitment to ensuring a strong, independent Board of Directors. As a shareholder, we believe this commitment is essential and that expanding the Board in this manner is in the best interest of Norfolk Southern. We are pleased they agree," Nappier said.

Nappier had contacted Norfolk Southern's Chairman and CEO David Goode last fall, stressing the state pension fund's guideline that "a board independent from management is of vital importance to a company and its shareholders." In a November letter to Goode, Nappier said "corporate governance issues, such as board and committee independence

Contact: **Bernard L. Kaval er**
Director of Communication
(860) 702-3277 FAX (860) 702-3043
BERNARD.KAVALER@PO.STATE.CT.US

and annual elections, are important factors in improving the long-term performance of a company.”

The correspondence was followed by several weeks of ultimately fruitful discussions among high level staff at Norfolk Southern and the Treasurer’s office.

In December, Norfolk’s management informed Treasurer Nappier that its Board of Directors planned to expand its board membership from 9 to 11 by adding two new outside, independent directors in 2001.

Nappier said the initiative with Norfolk Southern is consistent with her “fiduciary obligations and the proxy voting guidelines of the state pension fund,” which were approved last year by the state’s Investment Advisory Council.

The complete Connecticut pension fund proxy voting guidelines can be found on the Treasurer’s website at <http://www.state.ct.us/ott/proxyvoting.htm>.