

**Charter of the Nominating and Corporate Governance Committee
of the
Board of Directors of Kansas City Southern**

I. PURPOSE

The purpose of the Nominating and Corporate Governance Committee (the "Committee") is to assist the Board of Directors (the "Board") by: (i) identifying individuals qualified to become Board members and recommending to the Board director nominees; (ii) reviewing Company governance policies and procedures and developing and recommending to the Board changes and additions to such governance policies and procedures; (iii) establishing and maintaining procedures for evaluation of Board and management performance; (iv) periodically evaluating the performance of the Board, committees of the Board and management; and (v) undertaking any other duties, tasks and responsibilities as the Board may assign.

II. ORGANIZATION

The Committee shall consist of three or more directors, the number to be fixed from time to time by resolution adopted by a majority vote of the whole Board of Directors. Each member of the Committee shall be affirmatively determined by a majority vote of the whole Board of Directors to qualify as independent under the New York Stock Exchange ("NYSE") listing standards then in effect, and shall be independent under all other applicable laws, rules and regulations.

The members of the Committee shall be elected and vacancies filled by the vote of a majority of the whole Board of Directors, and one member of the Committee shall be elected its Chairperson by the vote of a majority of the whole Board of Directors. The members of the Committee shall be elected by the Board of Directors to serve staggered three-year terms. Members of the Committee and the Chairperson shall serve until their successors have been duly elected and qualified. The members of the Committee and the Chairperson may be removed, with or without cause, by the vote of a majority of the whole Board of Directors.

The Committee may form and delegate all or a portion of its authority to subcommittees of the Committee when appropriate in its judgment and not precluded by any applicable law, regulation, stock or exchange listing standard.

III. MEETINGS

The Committee shall have at least two regularly scheduled meetings annually, but may meet as often as necessary to carry out its responsibilities. The Chairperson of the Committee will preside at each meeting; provided, that in the absence of the Chairperson, one of the other members of the Committee shall be designated by a majority of the members of the Committee present at the meeting as the acting chair of the meeting. The Chairperson may direct appropriate members of management and staff to prepare draft agendas and related background information for each Committee meeting. Any such background materials, together with the agenda, should be distributed to the Committee members in advance of the meeting. All meetings of the Committee shall be held pursuant to the By-laws of the Company with regard to notice and waiver thereof, and written minutes of each meeting shall be duly filed in the Company records. The Committee may request that members of management and outside consultants be present, make presentations and participate in any meeting. Attendance shall be

in person or by conference telephone or other means of communications as permitted by the By-laws. Reports of meetings of the Committee shall be made to the Board of Directors at its next regularly scheduled meeting following the Committee meeting, accompanied by any recommendations to the Board of Directors approved by the Committee. In addition, all Directors are to be furnished copies of the minutes of each Committee meeting.

IV. DUTIES AND RESPONSIBILITIES

The Committee shall have the following duties and responsibilities:

1. Recommend director nominees to the Board to ensure that the Board shall have the benefit of qualified and experienced directors who meet the requirements of applicable laws, rules and regulations and the criteria set forth in this Charter, the Company's Corporate Governance Guidelines (the "Guidelines") and as otherwise adopted by the Committee from time to time.
2. Ensure that the Company maintains appropriate corporate governance policies, practices and procedures, including, but not limited to the Guidelines. The Committee shall review the Guidelines annually and recommend any changes to the Board.
3. Periodically evaluate the performance of the Board, committees of the Board and management.
4. Adopt and apply criteria, which may be listed in the Guidelines, for the selection of director nominees.
5. Establish and publish on the Company's website a policy regarding stockholder recommended nominees to the Board.
6. Develop and implement a procedure, utilizing methods deemed appropriate by the Committee, to evaluate annually the performance of the committees (including the Committee) and the Board and compliance with corporate governance procedures at the Company.
7. Establish and maintain, as it deems appropriate, an orientation program for new directors and a continuing education program for all directors.
8. Review and determine whether to recommend that the full Board approve or ratify any related person transaction, as defined in Item 404 of Regulation S-K requiring disclosure in the Company's annual meeting proxy statement ("Related Person Transaction").
 - a. Any potential Related Person Transaction shall be referred to the Chairperson by written notice describing the transaction, the related person involved, and the rationale for the Company entering into the transaction. A copy of such notice shall be provided to the Committee members.
 - b. The Committee shall evaluate the Related Person Transaction in view of:
 - i. the significance of the transaction to the Company;
 - ii. the best interests of the Company's stockholders;

- iii. the materiality of the transaction to the related person and whether the transaction is significantly likely to impair any judgments an executive officer or director would make on behalf of the Company; and
 - iv. the Company's Code of Business Conduct and Ethics.
- c. The Committee shall consider whether a related person serves on the Compensation Committee and if so, whether such continued service is appropriate in accordance with Rule 16b-3 under the Exchange Act and the Compensation Committee charter.
 - d. The Committee shall consider whether the terms of the transaction are more favorable to the Company than would be available from an unrelated third party.
 - e. The Committee shall consult with the Audit Committee, the CEO, the Chief Financial Officer ("CFO") and the Company's principal accounting officer regarding how the transaction would be accounted for and reported by the Company.
9. Annually review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.
10. Make recommendations to the Board regarding the composition of committees of the Board.
11. Perform any other activities consistent with this Charter, the Company's By-laws and governing law as the Committee or the Board deems appropriate.

V. Committee Resources

The Committee shall have the authority to obtain advice and seek assistance from internal or external legal, accounting or other advisors. The Company shall pay the costs and expenses of all advisors retained by the Committee. The Committee shall have the authority at the Company's expense to retain and terminate any search firm to be used to identify director candidates, including authority to approve such search firm's fees and other engagement terms. The Committee will have full access to all Company books, records, facilities and personnel it deems necessary to fulfill its responsibilities.