

## **KANSAS CITY SOUTHERN POLICY ON INSIDER TRADING**

“Insiders” of publicly-owned companies (directors, officers, employees and other related persons) must comply with legal restrictions when they buy or sell securities of such companies. To reduce the likelihood of violations of the law and resultant liability, Kansas City Southern has established this trading policy.

I. The Policy. Kansas City Southern (“KCS”) prohibits any Insider from buying or selling KCS securities while aware of Inside Information, except pursuant to a Rule 10b5-1 Plan. This policy applies to transactions involving securities of KCS in which any Insider has an interest, including those owned and those as to which the Insider can direct or influence investment decisions. KCS also prohibits any Insider from disclosing Inside Information to any other person without express authorization to do so.

II. Definitions.

“Insider” includes members of the KCS Board of Directors and officers of KCS designated by the KCS Board of Directors as Insiders. Other persons can become temporary Insiders by having a special confidential relationship with KCS resulting in access to nonpublic information. Such persons can include, for example, KCS employees, outside attorneys, accountants, consultants, advisors and bank lending officers. Insiders include members of the immediate family, and members of the households, of the foregoing persons.

“Inside Information” is material, nonpublic information about KCS, its subsidiaries or other entities with which KCS has a significant relationship. Information is material if a reasonable investor would be substantially likely to consider it important in making an investment decision or if it is reasonably certain to have a substantial effect on the price of KCS securities. This would include, for example, information (whether positive or negative) regarding dividends, earnings, liquidity, cash flow or other financial information; merger, acquisition, disposition of assets or joint venture discussions, negotiations, proposals or agreements; major litigation; significant contract matters, changes in management and securities offerings or other financings.

Information is nonpublic until it has been effectively communicated to the marketplace and the market has had sufficient time to react to it. Information should be presumed to be nonpublic until it has been disclosed publicly by KCS, such as in a filing with the Securities and Exchange Commission (“SEC”), in a press release or in a quarterly earnings call announced in advance and accessible by the public.

“KCS securities” includes common stock, preferred stock, stock options, debt securities and derivative securities (such as Exchange traded options) related to common stock.

“Rule 10b5-1 Trading Plan” means a trading plan adopted pursuant to SEC Rule 10b5-1(c) and approved by the Board of Directors or by a committee or officers authorized by the Board of Directors.

### III. Procedures for Complying With This Policy.

1. The Corporate Secretary of KCS serves as the Insider Trading Plan Compliance Officer. All trades in KCS securities by Insiders should be discussed with and precleared by the Corporate Secretary before such trades are executed.

2. To the extent possible, even with preclearance, trades of KCS securities by Insiders should be confined to the ten (business) day period beginning 72 hours after (a) the release of quarterly results, (b) the thirty day period beginning one week after the mailing of the annual report and proxy materials to stockholders, or (c) the third business day after the public announcement of material information. These restrictions do not apply to trades pursuant to a Rule 10b5-1 Trading Plan.

3. Because of material developments that have not been publicly disclosed, KCS may from time to time establish a “blackout period” during which trades in KCS securities by Insiders, other than pursuant to a Rule 10b5-1 Trading Plan, should not occur. Information about such blackout periods will be available from the Insider Trading Plan Compliance Officer.

### IV. Reporting Transactions.

1. Directors, and certain officers periodically designated by KCS, are subject to the reporting and liability provisions of Section 16 of the Securities Exchange Act of 1934 (“Section 16 Persons”). Section 16 Persons must report their securities transactions to the SEC on Forms 3, 4 or 5.

2. These forms can be filed for Section 16 Persons by the Corporate Secretary if they furnish the Corporate Secretary either (a) a power of attorney to enable such filing on their behalf, or (b) the completed forms in sufficient time for filing with the SEC. (Form 4s must be filed within two days after a trade occurs.)

3. To enable the Corporate Secretary to file such forms, a reportable transaction in securities of KCS must be reported to the Corporate Secretary’s office not later than the close of business on the day the transaction occurs. Each report should include the date of the transaction, quantity, price, and broker through which the transaction was effected. This reporting requirement may be satisfied by sending (or having the broker send) duplicate confirmations of trades, provided the Corporate Secretary’s office receives such information on the date of the transaction.

### V. Exceptions.

1. Transactions pursuant to a Rule 10b5-1 Trading Plan are excepted from the restrictions of this Policy.

2. The exercise of stock options for cash under the KCS Employee Stock Option Plan and the purchase of shares pursuant to the KCS Employee Stock Purchase Plan (but not the sale of shares acquired upon such exercise or purchase, and not a “cashless” exercise accompanied by a sale of shares issued upon exercise of options) are exempt from the restrictions of this Policy. This is because the other party to the transaction is KCS itself and the

price is fixed and not subject to the market. Bona fide gifts are also exempt from this Policy, but any recipient of such a gift who obtains Inside Information may become a temporary Insider, subject to the trading restrictions of this Policy.

VI. Short-Swing Transactions.

1. Section 16 Persons who purchase and sell (or sell and purchase) KCS securities within a six month period must, under the law, disgorge all profits to KCS regardless of whether they possessed Inside Information. Generally, the receipt of an option under the KCS Stock Option Plan and the receipt of stock under the KCS Employee Stock Purchase Plan do not count as short-swing purchases, but the sale of the shares acquired would be counted.

2. Directors and executive officers of KCS are prohibited under Section 16 from making “short” sales of KCS securities. A short sale is the sale of shares not owned by the seller or, if owned, not delivered.

VII. Further Information.

All questions about compliance with this Policy should be directed to the Insider Trading Plan Compliance Officer or the General Counsel.

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