

ENVIRONMENT, SAFETY AND SECURITY COMMITTEE

1. **Membership and Quorum**

- a minimum of five directors appointed by the Board;
- only non-executive directors may be appointed, a majority of whom are Independent directors;
- quorum of majority of members.

2. **Frequency and Timing of Meetings**

- normally one day prior to CN Board meetings;
- at least four times a year and as necessary;
- committee members meet before or after every meeting without the presence of management;
- special meeting may be held following an accident resulting in employee fatality or a major derailment giving rise to an evacuation, except where a regular meeting is scheduled in the immediate future.

3. **Mandate**

The responsibilities of the Environment, Safety and Security Committee include the following:

- overseeing the development and implementation of environmental, safety and security policies, procedures and guidelines;
- assessing corporate environmental, safety and security practices, monitoring systems with regard to statutory and regulatory requirements, and, where applicable, ensuring any remedial plans and programs are carried out and adequate reserves are in place;
- reviewing environmental, health and safety audits and assessments of compliance, taking all reasonable steps to ensure that CN is exercising due diligence;
- reviewing CN's business plan to ascertain whether environmental, safety and security issues are adequately taken into consideration;
- obtaining reports on a timely basis in respect of all notices, complaints, investigations and proceedings by governmental authorities or others, and all judgments and orders in respect of environmental, safety and security matters;
- ensuring appropriate employee training standards and communications are developed and implemented;
- monitoring accounting accrual for environmental costs in conjunction with the Audit Committee;
- performing such other functions as are assigned to it by the Board;
- ensuring that processes are in place to annually evaluate the performance of the Environment, Safety and Security Committee.

The Environment, Safety and Security Committee shall report to the Board regularly on its deliberations and annually on the adequacy of its mandate.

Nothing contained in the above mandate is intended to assign to the Environment, Safety and Security Committee the Board responsibility to ensure CN's compliance with applicable laws or regulations or to expand applicable standards of liability under statutory or regulatory requirements for the directors or the members of the Environment, Safety and Security Committee.