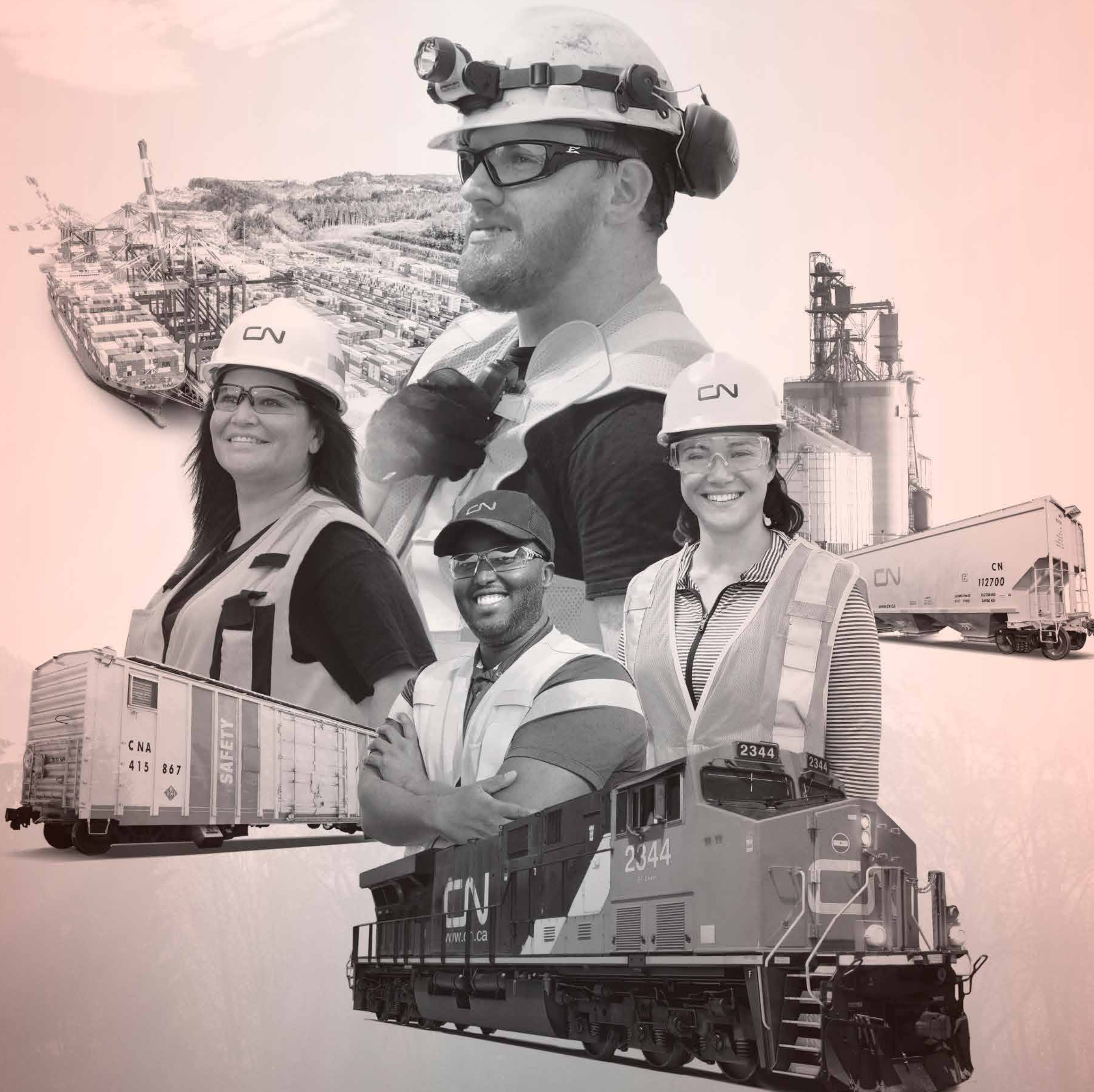


POWERING **SUSTAINABLE** GROWTH

MANAGEMENT INFORMATION CIRCULAR
AND NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

MAY 20, 2022

Notice of Annual Meeting of Shareholders

In light of the continuing COVID-19 pandemic, and in consideration of the health and safety of our shareholders, directors and employees, our annual meeting of holders of common shares will be conducted solely via a live webcast meeting on **Friday, May 20, 2022 at 10:00 a.m.** (Eastern Daylight Time) at **www.virtualshareholdermeeting.com/CNI2022**. At this website, shareholders will be able to attend the meeting live, submit questions and vote their shares while the meeting is being held. As always, we encourage you to vote your shares prior to the annual meeting.

For the purposes of:

1. receiving the consolidated financial statements for the year ended December 31, 2021, and the auditors' reports thereon;
2. electing the directors;
3. appointing the auditors;
4. considering and approving, in an advisory, non-binding capacity, a resolution (the full text of which is set out on page 11 of the accompanying management information circular) accepting the Company's approach to executive compensation as disclosed in the "Statement of Executive Compensation" section of the accompanying management information circular;
5. considering and approving, in an advisory, non-binding capacity, a resolution (the full text of which is set out on page 11 of the accompanying management information circular) accepting the Company's Climate Action Plan as disclosed in the accompanying management information circular; and
6. transacting such other business as may properly be brought before the meeting or any adjournment or postponement thereof.

The Board of Directors has fixed April 5, 2022 as the record date for the determination of the holders of common shares entitled to receive notice of the meeting and vote at the meeting.

By order of the Board of Directors

Sean Finn

Sean Finn
Executive Vice-President,
Corporate Services and Chief Legal Officer

April 5, 2022
Montreal, Quebec

Letter to Shareholders

April 5, 2022

Dear Shareholder:

On behalf of the Board of Directors ("Board" or "Board of Directors") and management of Canadian National Railway Company (the "Company" or "CN"), we cordially invite you to attend the annual meeting of shareholders, which will be held online on May 20, 2022 at 10:00 a.m. (Eastern Daylight Time). Our management information circular ("Information Circular") describes the business to be conducted at the meeting and provides information on executive compensation and CN's environmental, social and governance ("ESG") practices. In addition to these items, we will discuss highlights of our 2021 performance and our plans for the future.

CN values the support and perspectives of our shareholders, and we are making it a priority to engage openly with all of our shareholders and keep you informed of our plans and progress.

When we wrote to you last November[1], we said that CN was taking action to leverage our unique North American network, talent and technology to build the railroad of the future for our customers, employees, communities and shareholders.

We are pleased to report that CN continues to accelerate our efforts to deliver industry-leading profitable growth and consistent top-quartile Total Shareholder Return.

We are now hard at work restoring our network to its full capacity after fire and floods took our mainline to Vancouver down for five weeks last summer and fall, followed by extreme weather conditions in Western Canada that caused a further slowdown in rail traffic. Having proved our resiliency in 2021, we are now gearing up for the challenges and opportunities ahead, including what we hope and expect will be a stronger grain crop than last year.

Longer-term, CN is focused on capitalizing on strong demand growth across a broad range of commodities and geographies. We are committed to running a scheduled railroad with a focus on delivering for our customers. We go forward with an unwavering commitment to safety and sustainability. We are applying a strategic approach to the use of technology to further unlock capacity and efficiencies. And we have the balance sheet strength to capitalize on opportunities and adapt to a changing economic environment. Of course, none of this would be possible without the extraordinary contributions of CN's frontline workers and our colleagues across the enterprise. 2021 was an extremely challenging year. No one ever expects railroading to be easy, but this year was tough, and we are immeasurably grateful for the exceptional work of CN's entire world-class team of railroaders. They delivered for our customers and helped keep the North American economy moving in the face of catastrophic fires, floods, pandemic-related supply chain challenges and periods of extreme cold across Western Canada, while also supporting our friends and neighbours in communities deeply affected by tragedy and loss. On behalf of the Board and our management team, we are proud to be part of this exceptional group of people.

2021 was also a very productive year for CN in terms of our ongoing leadership and governance. On January 25, 2022, we were pleased to announce the appointment of Tracy Robinson as CN's new President and CEO, as well as the appointment of Shauneen Bruder as Vice Chair. Tracy started at CN on February 28, with an immediate focus on gaining a deep understanding of our customers, operations and people.

CN considers shareholder engagement and good corporate governance to be key strategies for long-term value creation. Over the past few years, we have renewed our board and undertaken major new environmental, social and governance initiatives to reinforce CN's status as a leader in ESG among North American Class I railroads and across the transportation sector.

This work continued in 2021 and early 2022 with the nomination of four outstanding new independent directors who are each standing for election for the first time at this year's annual general meeting. Jo-ann dePass Olsovsky, retired Executive Vice-President and Chief Information Officer of Salesforce.com Inc., brings more than 35 years of technology, infrastructure operations, and railroad experience to CN. Dave Freeman is a rail industry veteran and the former Executive Vice President of BNSF Railway Co. ("BNSF"), where he focused on improving cost structure through technology, cost-efficiency, and effectiveness. Rob Knight is the former Chief Financial Officer of Union Pacific Corporation, a position he held for 15 years before retiring in December 2019. Susan C. Jones has nearly two decades of senior leadership and executive experience within large public companies, with particular experience in developing and overseeing environmental, social and governance priorities and agendas, and an extensive legal background.

In this regard, we were very pleased to reach a constructive agreement with CIFF Capital UK LP and TCI Fund Management Limited (collectively, "TCI") that eliminated the need for a special meeting and enabled us to focus all our energies on delivering for our customers, shareholders and communities.

With a new President and CEO firmly in place, CN's ongoing board renewal, and our recent #1 ranking on the Globe and Mail's list of Canada's best-governed companies, CN has many opportunities to position it for industry leadership.

The Board wishes to thank Jim O'Connor and Laura Stein, as well as Julie Godin, who stepped down earlier to focus on her executive role, for their many years of exemplary service to CN. The Board also thanks Jean Charest, who recently stepped down from the Board to pursue public office. Each of them has contributed their insight and expertise to our work – and the entire CN community has been enriched by their efforts.

Your participation in the affairs of the Company is important to us. To that effect, we are pleased to embrace the latest technology to provide easy access, improved communication, and cost savings for our shareholders and the Company, all through a webcast Meeting again in 2022. This set up is imperative these days as it eliminates any health risks associated with large gatherings while also enabling greater participation by our shareholders from any location around the world, and aligns with our sustainability vision and belief. Similar to last year, our webcast will provide you with the opportunity to interact with members of the Board and senior executive officers of the Company.

We encourage you to vote on the internet or complete the enclosed proxy or voting instruction forms and return them in the envelope provided for this purpose, so that your views can be represented. Even if you plan to attend the webcast meeting, you may find it convenient to vote your shares in advance of the meeting over the internet or by completing and returning the enclosed proxy or voting instruction forms, as applicable. Please consult the information on page 6 of the Information Circular to find out how to attend the meeting online and vote your shares.

We are looking forward to your virtual attendance at the Meeting.

We thank you for continued support as we continue our efforts to build the railroad of the future.

Please stay safe and healthy.

Sincerely,

Robert Pace, D.COMM., C.M.
Chair of the Board

Tracy Robinson
President and
Chief Executive Officer

(1) https://www.cn.ca/en/news/2021/11/cn-issues-letter-to-shareholders/

What's Inside

This Information Circular is provided in connection with the solicitation of proxies by management of Canadian National Railway Company for use at the annual meeting of its shareholders or at any adjournment or postponement thereof (the "Meeting"). In this document "you" and "your" refer to the shareholders of CN and "CN", the "Company", "we", "us", or "our" refer to Canadian National Railway Company. The Meeting will be held on Friday, May 20, 2022, at 10:00 a.m. (Eastern Daylight Time) for the purposes set forth in the foregoing Notice of Meeting. The information contained herein is given as at April 5, 2022, except as indicated otherwise.

Shareholder Voting Matters and Recommendation

VOTING MATTER

Election of 11 Directors

BOARD VOTE RECOMMENDATION

FOR each nominee

FOR MORE INFORMATION SEE PAGE 12

VOTING MATTER

Appointment of KPMG LLP as Auditors

BOARD VOTE RECOMMENDATION

FOR

FOR MORE INFORMATION SEE PAGE 10

VOTING MATTER

Advisory Resolution on Executive Compensation

BOARD VOTE RECOMMENDATION

FOR

FOR MORE INFORMATION SEE PAGE 45

VOTING MATTER

Advisory Resolution on Climate Action Plan

BOARD VOTE RECOMMENDATION

FOR

FOR MORE INFORMATION SEE PAGE 42

Forward-Looking Statements

Certain statements included in this Information Circular constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and under Canadian securities laws, relating, but not limited to, our operations, priorities and plans, planned capital expenditures, programs and strategies. This forward-looking information also includes, but is not limited to, statements based on management's assessment and assumptions and publicly available information with respect to the Company. By their nature, forward-looking statements involve risks, uncertainties and assumptions. The Company cautions that its assumptions may not materialize and that current economic conditions render such assumptions, although reasonable at the time they were made, subject to greater uncertainty. These forward-looking statements include, but are not limited to, statements relating to revenue growth opportunities, including those referring to general economic and business conditions; statements relating to the Company's ability to meet debt repayments and future obligations in the foreseeable future, including income tax payments, and capital spending; and statements relating to pension contributions. Forward-looking statements may be identified by the use of terminology such as "believes", "expects", "anticipates", "assumes", "outlook", "plans", "targets" or other similar words.

Forward-looking statements are not guarantees of future performance and involve risks, uncertainties and other factors which may cause actual results, performance or achievements of the Company, to be materially different from the outlook or any future results, performance or achievements implied by such statements. Accordingly, readers are advised not to place undue reliance on forward-looking statements. Important risk factors that could affect the forward-looking statements include, but are not limited to: the duration and effects of the COVID-19 pandemic, general economic and business conditions, particularly in the context of the COVID-19 pandemic; industry competition; inflation, currency and interest rate fluctuations; changes in fuel prices; legislative and/or regulatory developments; compliance with environmental laws and regulations; actions by regulators; increases in maintenance and operating costs; security threats; reliance on technology and related cybersecurity risk; trade restrictions or other changes to international trade arrangements; transportation of hazardous materials; various events which could disrupt operations, including illegal blockades of rail networks and natural events such as severe weather, droughts, fires, floods and earthquakes; climate change; labor negotiations and disruptions; environmental claims; uncertainties of investigations, proceedings or other types of claims and litigation; risks and liabilities arising from derailments; timing and completion of capital programs; and other risks detailed from time to time in reports filed by the Company with securities regulators in Canada and the United States, including its Annual Information Form and Form 40-F. See the section entitled "Business risks" of the Company's Management's Discussion and Analysis for the year ended December 31, 2021 (the "MD&A"), which section is incorporated by reference into this Information Circular, for a description of major risk factors relating to CN.

Forward-looking statements reflect information as of the date on which they are made. The Company assumes no obligation to update or revise forward-looking statements to reflect future events, changes in circumstances, or changes in beliefs, unless required by applicable securities laws. In the event the Company does update any forward-looking statement, no inference should be made that the Company will make additional updates with respect to that statement, related matters, or any other forward- looking statement.

Non-GAAP Measures

This Information Circular makes reference to non-GAAP measures including adjusted operating income, adjusted net income, adjusted diluted earnings per share, adjusted operating ratio and free cash flow that do not have any standardized meaning prescribed by GAAP and therefore, may not be comparable to similar measures presented by other companies. From management's perspective, these non-GAAP measures are useful measures of performance and provide investors with supplementary information to assess the Company's results of operations and liquidity. These non-GAAP measures should not be considered in isolation or as a substitute for financial measures prepared in accordance with GAAP.

For further details of these non-GAAP measures, including a reconciliation to the most directly comparable GAAP financial measures, refer to the sections entitled "Adjusted performance measures", "Constant currency", and "Liquidity and capital resources" of the MD&A, which sections are incorporated by reference into this Information Circular. The MD&A was filed on February 1, 2022 and may be found online on SEDAR at www.sedar.com, on the SEC's website at www.sec.gov through EDGAR, and on the Company's website at **www.cn.ca** in the "Investors" section.

Proxy Summary

The following summary highlights some of the important information you will find in this Information Circular, as well as information about our Company.

We recommend that you read the entire Information Circular before voting.

Board of Directors Highlights

5X
Directors' share ownership set at 5 times the annual director retainer within 5 years

100%
Percentage of director nominees, other than our President and CEO, who are independent

14
Term limit for directors set at 14 years from their initial election or appointment date

0
Board members that sit together on the board of another public company

55%
Percentage of director nominees who are women

7
New Board members since 2020, including 3 new nominees for election at the Meeting

Our Director Nominees

	NAME/AGE	TOP 4 COMPETENCIES[(1)]	DIRECTOR SINCE	POSITION	OTHER PUBLIC BOARDS	SHARE OWNERSHIP[(2)] (MULTIPLE OF REQUIREMENT)	% OF VOTES FOR 2021
	**Shauneen Bruder** (62)	• CEO/Executive Leadership Experience • Strategic Planning • Customer Experience/Sales/Marketing • Technology/Innovation/Artificial Intelligence/Cyber Security	2017	Corporate Director and Vice Chair of the Board, CN	1	2	98.35
	**Jo-ann dePass Olsovsky** (57)	• Technology/Innovation/Artificial Intelligence/Cyber Security • CEO/Executive Leadership Experience • Transportation Industry/Logistics/Supply Chain/Global Trade • Customer Experience/Sales/Marketing	2021	Retired Executive Vice-President and CIO, Salesforce.com, Inc.	–	–	–
	**David Freeman** (67)	• Transport Industry/Logistics/Supply Chain/Global Trade • Risk Management and Safety • CEO/Executive Leadership Experience • Strategic Planning	New Director Nominee	Corporate Director	–	–	–
	**Denise Gray** (59)	• CEO/Executive Leadership Experience • Strategic Planning • Technology/Innovation/Artificial Intelligence/ Cyber Security • Transport Industry/Logistics/Supply Chain/Global Trade	2021	Director, External Affairs & Government Relations, North America, LG Energy Solution Michigan Inc., U.S.	1	–	99.85
	**Justin M. Howell** (51)	• International/Global Experience and Perspective • ESG • Corporate Governance/Public Company Experience • Finance/Accounting/Investor Relations	2021	Senior Investment Manager, Cascade Asset Management Co.	1	–	99.85
	**Susan C. Jones** (52)	• CEO/Executive Leadership Experience • Government/Regulatory/Public Policy/Legal • People and Talent Management/Organized Labour/ Diversity and Inclusion • ESG	New Director Nominee	Corporate Director	3[(3)]	–	–
	**Robert Knight** (64)	• Finance/Accounting/Investor Relations • Transport Industry/Logistics/Supply Chain/Global Trade • Strategic Planning • Corporate Governance/Public Company Experience	New Director Nominee	Corporate Director	2	–	–
	**Kevin G. Lynch** (71)	• Finance/Accounting/Investor Relations • Government/Regulatory/Public Policy/Legal • People and Talent Management/ Organized Labour/ Diversity and Inclusion • Strategic Planning	2014	Corporate Director	–	4	98.11
	**Margaret A. McKenzie** (60)	• Finance/Accounting/Investor Relations • Risk Management and Safety • Strategic Planning • ESG	2020	Corporate Director	1	1.5	99.49
	**Robert L. Phillips** (71)	• CEO/Executive Leadership Experience • Transport Industry/Logistics/Supply Chain/Global Trade • Strategic Planning • Corporate Governance/Public Company Experience	2014	President, R.L. Phillips Investments Inc.	3[(4)]	4	95.08
	**Tracy Robinson** (58)	• CEO/Executive Leadership Experience • Transport Industry/Logistics/Supply Chain/Global Trade • Strategic Planning • Finance/Accounting/Investor Relations	2022	President and Chief Executive Officer, CN	–	Note 5	–

(1) Refer to description of competencies on page 35 of this Information Circular.
(2) For a discussion on the shareholding requirements of the Board Chair and non-executive directors, please see section on "Share Ownership" on page 26 of this Information Circular.
(3) Ms. Jones has committed to reducing her directorships within the next year if elected to the Board, in alignment with CN's overboarding guidelines and within CN's prescribed transitioning period, as authorized by the Board. See "CN's Environmental and Corporate Governance (ESG) Initiatives" on page 28 of this Information Circular for more information on CN's overboarding policy.
(4) Will be a member of two public boards other than CN starting April 7, 2022.
(5) For a discussion on Tracy Robinson's shareholding requirements, please see the section on "Stock Ownership" on page 60 of this Information Circular. Ms. Robinson is also enrolled in the ESIP. See "Employee Share Investment Plan" on page 60 of this Information Circular.

2021 Key Business Highlights

22,604 Employees at year end	**$14.5 B** Revenues	**$3.296 B**[(1)] Free cash flow	**C$5.6 B** in operating income
$6.89 Diluted earnings per share	**$5.94**[(1)] Adjusted diluted earnings per share	**61.2%** Operating ratio	

(1) These non-GAAP measures do not have any standardized meaning prescribed by GAAP and therefore, may not be comparable to similar measures presented by other companies. For adjusted diluted earnings per share, see the section entitled "Adjusted performance measures" and for free cash flow, see the section entitled "Liquidity and capital resources – Free cash flow" in the December 31, 2021 MD&A filed on February 1, 2022, which are incorporated by reference herein. The MD&A may be found online on SEDAR at www.sedar.com, on the SEC's website at www.sec.gov through EDGAR, and on the Company's website at **www.cn.ca** in the Investors section.

Key Environment, Social & Governance Highlights

Transparency

Our Delivering Responsibly sustainability report is part of our commitment to be open about our business and to communicate our progress with focus, clarity and comparability.

Iconic Brand

Recognized by Interbrand Canada as one of the 150 companies, organizations and institutions that are the most iconic in Canada.

Catalyst Accord

Signatory to the Catalyst Accord 2022 which promotes gender diversity on boards and executive management.

Governance Leader

CN's Board of Directors earned a #1 position in 2021 in Canada for Corporate Governance in the Globe and Mail's Report on Business' annual comprehensive assessment of 220 S&P/TSX Composite Index Members.

Recognized by the IR Magazine Awards for best corporate governance and disclosure and best investor relations by a Canadian company in the U.S. market.

Climate Change Leader

Reduced locomotive emission intensity by 43% since 1993 while achieving record growth in the volume of freight we move.

In 2020, formally became a supporter of the Task Force on Climate-Related Financial Disclosures ("TCFD") and issued our inaugural TCFD report.

Earned a position on the 2021 Climate A List by CDP*.

Sustainability Leader

Annual advisory vote on CN's Climate Action Plan, which received an approval rate of 92.09% at the 2021 annual meeting.

Creation of the CN Indigenous Advisory Council.

Listed on the DJSI World Index and on the DJSI North America Index in 2021, for the 10th and 13th consecutive years, respectively.

* CDP is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.

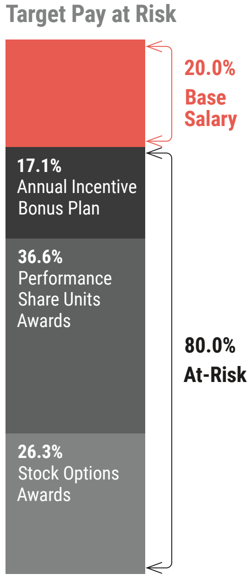
Executive Compensation

Disciplined Approach to Compensation

CN's approach to executive compensation continues to be driven by its goal to incentivize executives to create and deliver sustainable returns to shareholders. CN exercises a disciplined approach by ensuring short- and long-term incentive plans are structured to align realized pay with shareholder returns. Overall, CN's approach to executive compensation ensures that target compensation supports the attraction and retention of executive talent while remaining within our executive compensation policy.

Compensation programs are designed to encourage appropriate behaviour and include appropriate risk mitigation mechanisms. The executive compensation policy, which received an approval rate of 97.7% at the 2021 annual meeting of shareholders, aims to position our target total direct compensation between the median and the 60th percentile of the executives' respective comparator group.

All NEOs 2021 Target Pay at Risk



Best Practices Adopted by CN

- Individual component in the Annual Incentive Bonus Plan for executive and senior management employees replaced in 2021 by a Corporate Strategic component consisting of three quantitative strategic measures: employee engagement, customer centricity and fuel efficiency
- ~ 80% of NEOs' target total direct compensation is at-risk and linked to CN's performance. In 2021, we modified the AIBP to be 100% based on performance against pre-set goals
- Provide shareholders an annual say on pay vote
- Benchmark compensation against a reasonable/size appropriate peer group
- Incentive payout capped and no guaranteed minimum payout
- Increased weighting of relative total shareholder return on Performance Share Units since 2020
- Corporate Safety component in the Annual Incentive Bonus Plan extended to all management employees in 2021
- Stringent stock ownership requirements
- President and CEO post-employment shareholding requirement
- Extended executive clawback policy allowing the clawback of bonus or incentive-based compensation awarded after March 7, 2017 in circumstances of gross negligence, intentional misconduct, fraud, theft or embezzlement without the need for a financial restatement
- Double trigger change-of-control provisions
- Employees cannot engage in hedging activity or in any form of transactions in publicly-traded options on securities of CN
- No change of control tax gross-up protection

Delivery of Meeting Materials and Voting Information

Your Vote is Important

As a shareholder, it is important that you read this Information Circular carefully and then vote your shares, either before or at the Meeting, in accordance with the voting instructions set forth in this Information Circular. The following section provides you with information on how to vote your shares.

Notice and Access

Consistent with past years. we are using "Notice and Access" to deliver this Information Circular to both registered and non-registered shareholders. Instead of receiving a paper copy of the Information Circular in the mail, shareholders who hold common shares of CN on the record date of April 5, 2022 (the "Record Date") have access to it online. Shareholders will receive a package in the mail with a notice (the "Notice") explaining how to access the Information Circular electronically and how to request a paper copy of it. A form of proxy for registered shareholders or a voting instruction form for non-registered shareholders or Employee Shares, will be included with the Notice with instructions on how to vote your shares. Using Notice and Access allows for faster access to the Information Circular, contributes to the protection of the environment, is consistent with our sustainability strategy and helps reduce printing and postage costs.

How to access the Information Circular Electronically

The Information Circular is available on our website (**www.cn.ca/en/investors**), on the website of our transfer agent, Computershare Trust Company of Canada (Computershare) (**www.envisionreports.com/CNR2022**), on SEDAR (**www.sedar.com**) and on the U.S. Securities and Exchange Commission ("SEC") website (**www.sec.gov**) through EDGAR.

How to request a paper copy of the Information Circular and Financial Statements

You may request paper copies of the Information Circular and the consolidated financial statements for the year ended December 31, 2021, and the auditors' report thereon (the "Financial Statements") and the related Management's Discussion and Analysis at no cost up to one year from the date the Information Circular was filed on SEDAR (on or about April 19, 2022). Your request should be received at least ten (10) business days prior to the Meeting date in order to receive the Information Circular in advance of such date.

You may request paper copies of either the Information Circular, the Financial Statements and the related Management's Discussion and Analysis at **www.proxyvote.com** or by calling **1-877-907-7643** and entering the 16-digit control number provided on the proxy form or the voting instruction form and following the instructions provided.

Note that if you request a paper copy of the Information Circular, you will not receive a new form of proxy or voting instruction form. You should keep the original form sent to you in order to vote.

Questions?

If you have questions about Notice and Access or if you would like to request a paper copy of the Information Circular after the Meeting at no charge, you can contact Broadridge at **1-844-916-0609** for English, and **1-844-973-0593** for French or Computershare by phone at **1-866-962-0498** (toll-free in Canada and the United States) or **1-514-982-8716** (outside North America).

Important Information about the Meeting

The Meeting will be conducted online only, via a live webcast. Shareholders will not be able to attend the Meeting in person. You will be able to attend, participate and vote at the Meeting online via the live webcast. Board members and senior executive officers will participate in the Meeting and will be available for questions.

Attending the Online Meeting

To participate in the Meeting, shareholders (registered, non-registered and holders of Employee Shares (as defined herein)) will need to visit **www.virtualshareholdermeeting.com/CNI2022** and check-in using the 16-digit control number included either on your proxy form or voting instruction form, as applicable. The Meeting platform is fully supported across browsers and devices running the most updated version of applicable software plugins. **You should ensure you have a strong, preferably high-speed, internet connection wherever you intend to participate in the Meeting.** The Meeting will begin promptly at 10:00 a.m. (Eastern Daylight Time) on May 20, 2022. Online check-in will begin starting 15 minutes prior, at 9:45 a.m. (Eastern Daylight Time). You should allow ample time for online check-in procedures. For any technical difficulties experienced during the check-in process or during the Meeting, please call the technical support number that will be posted on the Virtual Shareholder Meeting log in page. The webcast allows you to attend the Meeting live virtually, submit questions and submit your vote while the Meeting is being held if you have not done so in advance of the Meeting.

CN is also providing a toll-free conference call for shareholders that do not have internet access or that prefer that method, either to verbally ask a question at the Meeting, or to listen in as an alternative to the webcast. Using your 16-digit control number included either on your proxy form or voting instruction form, as applicable, you will be able to listen to the Meeting proceedings and submit your questions verbally during the Meeting; however, you will not be able to vote your shares on the phone via the conference call during the Meeting and will have to use the online webcast for that purpose if you have not done so in advance of the Meeting. To join the conference call, you must call **1-888-950-2104 (toll-free in Canada and the U.S.)** or **1-929-529-2854 (International)**.

Guests will be able to attend the Meeting through the live webcast only, by joining the webcast as a guest at **www.virtualshareholdermeeting.com/CNI2022**. They will not be able to submit questions or vote. They will not be allowed to dial into the conference call.

Submitting Questions

Following the Meeting, we will hold a live Q&A session, during which we intend to answer all written questions submitted before or during the Meeting. Only shareholders may submit questions at the Meeting, either before or during the Meeting. **To ask a question before the Meeting**, you must visit **www.proxyvote.com** and log in using your 16-digit control number included either on your proxy form or voting instruction form, as applicable. Once past the log-in screen, please click on "Submit Questions", complete the question form and click "Submit." **You may ask a question during the Meeting in two ways**: (1) in writing through the live webcast at **www.virtualshareholdermeeting.com/CNI2022** by logging in, typing your questions into the "Ask a Question" field, and clicking "Submit"; or (2) verbally through the conference call by dialing **1-888-950-2104 (toll-free in Canada and the U.S.)** or **1-929-529-2854 (International)** and using your 16-digit control number. In the case of the conference call, a meeting operator will queue-in your question and open the line at the appropriate time. **Guests will not be able to submit questions either before or during the Meeting.**

The Chair of the Meeting reserves the right to edit or reject questions he deems profane or otherwise inappropriate in accordance with the rules of conduct of the Meeting which are available at **www.cn.ca/en/investors/** and following the Meeting web page. Any questions pertinent to the Meeting that cannot be answered during the Meeting due to time constraints will be posted online and answered at **www.cn.ca/en/investors/**. The questions and answers will be available as soon as practical after the Meeting and will remain available until one week after posting. The Chair of the Meeting has broad authority to conduct the Meeting in an orderly manner. To ensure the Meeting is conducted in a manner that is fair to all shareholders, the Chair of the Meeting may exercise broad discretion in the order in which questions are answered and the amount of time devoted to answering any one question. Consistent with our prior annual meetings, all questions submitted in accordance with our rules of conduct for shareholders meeting generally are addressed in the order received. The questions and answers will be available as soon as practical after the Meeting and will remain available until one week after posting.

Who can Vote

Holders of common shares of CN as at the close of business on the Record Date (April 5, 2022) are entitled to vote at the Meeting or at any adjournment or postponement thereof, either live virtually or by proxy. As of the close of business on the Record Date, the Company had 694,032,805 common shares without par value outstanding. Subject to the voting restrictions described in this section, each common share carries the right to one vote.

How to Vote

If you are eligible to vote and your common shares are either registered in your name or are held in the name of a nominee (non-registered or Employee Shares (as defined herein)), you can vote your common shares at the Meeting virtually or by proxy in advance of the Meeting, as explained below. Voting by proxy in advance of the Meeting is the easiest way to vote your shares. **The same procedures apply whether you are a registered shareholder, non-registered shareholder or holder of Employee Shares.**

You are a *registered shareholder* if your name appears on your share certificate or your Direct Registration System (DRS) confirmation. If you are a registered shareholder, you will receive a proxy form containing the relevant details concerning the business of the Meeting, including a 16-digit control number that is needed to (1) vote by proxy in advance of the Meeting, (2) join the live webcast and/or conference call the day of the Meeting to attend the Meeting live virtually, and (3) submit your questions and submit your vote while the Meeting is being held.

If your common shares are not registered in your name and are held in the name of a nominee such as a trustee, financial institution or securities broker, you are a *non-registered shareholder*. If your common shares are listed in an account statement provided to you by your broker, such common shares will, in all likelihood, not be registered in your name. Such common shares will more likely be registered under the name of your broker or an agent or nominee of that broker. Without specific instructions, brokers and their agents or nominees are prohibited from voting shares for the broker's client. If you are a non-registered shareholder, you will receive a voting instruction form containing the relevant details concerning the business of the Meeting, including a 16-digit control number that is needed to (1) vote by proxy in advance of the Meeting, (2) join the live webcast and/or conference call the day of the Meeting to attend the Meeting live virtually, and (3) submit your questions and submit your vote while the Meeting is being held.

Common shares purchased by employees of the Company under its Canadian and U.S. Employee Share Investment Plans and its Savings Plan for U.S. Operations (collectively, the "Plans") are known as "Employee Shares". Employee Shares remain registered in the name of the Plans' Custodian (currently Computershare Trust Company of Canada or Fidelity Institutional Retirement Services Company, as applicable), unless the employees have withdrawn their common shares from the Plans in accordance with the applicable provisions of such Plans. If you are a holder of Employee Shares you will receive a voting instruction form containing the relevant details concerning the business of the Meeting, including a 16-digit control number that is needed to (1) vote by proxy in advance of the Meeting, (2) join the live webcast and/or conference call the day of the Meeting to attend the Meeting live virtually, and (3) submit your questions and submit your vote while the Meeting is being held.

Vote in advance of the Meeting – Voting by Proxy

Below are the different ways in which you can give your voting instructions, further details of which can be found in the proxy form or voting instruction form, as applicable, accompanying this Information Circular:

BY INTERNET Go to **www.proxyvote.com** and follow the instructions. You will need your 16-digit control number found on your proxy form or voting instruction form, as applicable.

BY MAIL Complete and return the proxy form or voting instruction form as applicable, in the **prepaid envelope** provided.

BY PHONE Call **1-800-474-7493 (English)** or **1-800-474-7501 (French)**. You will need your 16-digit control number found on your proxy form or voting instruction form, as applicable.

If you are using mail, your duly completed proxy form or voting instruction form, as applicable must have been received by our proxy tabulator with sufficient time for your vote to be processed, and in all cases, no later than **5:00 p.m. on May 18, 2022** (Eastern Daylight Time), or if the Meeting is adjourned or postponed, by no later than 5:00 p.m. on the business day prior to the day fixed for the adjourned or postponed Meeting. For all other methods, you must have voted before **5:00 p.m. on May 19, 2022** (Eastern Daylight Time) or if the Meeting is adjourned or postponed, by no later than 5:00 p.m. on the business day prior to the day fixed for the adjourned or postponed Meeting. Late proxies may be accepted or rejected by the Chair of the Meeting at their discretion, and the Chair of the Meeting is under no obligation to accept or reject any particular late proxy. The Chair of the Meeting may waive or extend the proxy cut-off without notice.

Voting at the Meeting

If you wish to vote at the Meeting, you do not need to complete or return your proxy form or voting instruction form, as applicable. The day of the Meeting, whether you are a registered or non-registered shareholder or holder of Employee Shares, you will be able to vote via the live webcast by completing a ballot online during the Meeting. You will need to visit **www.virtualshareholdermeeting.com/CNI2022** and check-in using your 16-digit control number included on your proxy form or voting instruction form, as applicable, as further described under the "Attending the Online Meeting" section of this Information Circular.

If you wish to appoint someone as proxy to vote your shares for you at the Meeting during the live webcast, please follow the instructions found on either your proxy form or voting instruction form, as applicable, or on **www.proxyvote.com**. You will need to create a unique eight-character identification number which will allow your appointee to join the Meeting and vote your shares on your behalf.

How your Shares will be Voted

You can choose to vote FOR, WITHHOLD or AGAINST, depending on the items to be voted on. When you vote by proxy, you may appoint either the persons named as proxies in the proxy form or voting instruction form (who are the Board Chair and the President and Chief Executive Officer of the Company, or in the case of Employee Shares, Computershare Trust Company of Canada or Fidelity Institutional Retirement Services Company) or you may appoint someone else to vote for you as your proxy holder by using the enclosed form of proxy or voting instruction form. **You have the right to appoint any other person or company (who need not be a shareholder) to attend and act on your behalf at the Meeting. That right may be exercised by writing the name of such person or company in the blank space provided, and following the instructions, found in the proxy form or voting instruction form, or by completing another proper form of proxy. Make sure that the person you appoint is aware that he or she is appointed and that this person logs into the online Meeting using the credentials you created for him/her as your appointee.**

Your common shares will be voted or withheld from voting in accordance with your instructions indicated on the proxy form or voting instruction form. If no instructions are indicated, your common shares represented by proxies in favour of the Board Chair or the President and Chief Executive Officer (or in the case of Employee Shares, Computershare Trust Company of Canada or Fidelity Institutional Retirement Services Company) will be voted as follows:

i) **FOR the election of management's nominees as directors**

ii) **FOR the appointment of KPMG LLP as auditors**

iii) **FOR, in an advisory, non-binding capacity, the approach to executive compensation disclosed in the "Statement of Executive Compensation" section of this Information Circular**

iv) **FOR, in an advisory, non-binding capacity, accepting the Company's Climate Action Plan as disclosed in this Information Circular**

and at the discretion of the proxy holder in respect of amendments to any of the foregoing matters or on such other business as may properly be brought before the Meeting. As of the date of this Information Circular, CN's management is not aware of any such amendment, variation or other business likely to be brought before the Meeting. If, however, any such amendment, variation or other business properly comes before the Meeting, proxies will be voted at the discretion of the person or persons named in the proxy form or voting instruction form. The persons named in the proxy form or voting instruction form will vote on such matter in accordance with their best judgment.

Should any nominee named herein for election as a director become unable to accept nomination for election, it is intended that the person acting under proxy in favour of management will vote for the election in his or her stead of such other person as management of the Company may recommend. Management has no reason to believe that any of the nominees for election as directors will be unable to serve if elected to office.

The Board of Directors and management are recommending that shareholders vote FOR items (i), (ii), (iii) and (iv).

A simple majority of the votes cast will constitute approval of each of these matters.

Changing your Vote

You may revoke your proxy at any time by:

- voting again by Internet or phone before 5:00 p.m. on May 19, 2022 (Eastern Daylight Time);
- completing an instrument in writing (which includes another proxy form or voting instruction form, as applicable, with a date later than the date of your initial vote) executed by you or by your attorney (duly authorized in writing), and either (1) deposited with the Corporate Secretary of the Company at the registered office of the Company (935 de La Gauchetière Street West, 16th Floor, Montreal, Quebec, Canada, H3B 2M9) at any time up to and including **5:00 p.m. on May 19, 2022** (Eastern Daylight Time) (or if the Meeting is adjourned or postponed, by no later than 5:00 p.m. on the business day prior to the day fixed for the adjourned or postponed Meeting) or (2) filed electronically with the chair of the Meeting (at **CN_Chair@cn.ca**) prior to the Meeting's commencement on the day of the Meeting or any adjournment or postponement thereof; or
- any other manner permitted by law.

Proxies received later than 5:00 p.m. on May 19, 2022 (Eastern Daylight Time) may be accepted or rejected by the Chair of the Meeting at their discretion, and the Chair of the Meeting is under no obligation to accept or reject any particular late proxy. The Chair of the Meeting may waive or extend the proxy cut-off without notice.

CN's Voting Restrictions

Our articles of continuance, as amended, provide that no person, together with his or her associates, shall hold, beneficially own or control, directly or indirectly, voting shares to which are attached more than 25% in the aggregate of the votes attached to all our voting shares that may ordinarily be cast to elect directors of the Company. In addition, where the total number of voting shares held, beneficially owned or controlled, directly or indirectly, by any one person together with his or her associates exceeds such 25% maximum, no person shall, in person or by proxy, exercise the voting rights attached to the voting shares held, beneficially owned or controlled, directly or indirectly, by such person or his or her associates.

To the knowledge of the directors and senior officers of the Company, based on the most recent publicly available information, the only person who beneficially owns, or directly or indirectly exercises control or direction over, shares carrying 10% or more of the voting rights attached to any class of shares of the Company is Mr. William H. Gates, III. Mr. Gates is the sole member of Cascade Investment, L.L.C. ("Cascade"). Cascade held 68,725,821 common shares of the Company on the Record Date, representing 9.90% of the outstanding common shares of the Company. In addition, Mr. Gates is a co-trustee of the Bill & Melinda Gates Foundation Trust, which held 13,066,169 common shares of the Company on the Record Date, representing 1.88% of the outstanding common shares of the Company. Hence, on the Record Date, Mr. Gates is deemed to have control or direction over 81,791,990 common shares, representing 11.79% of the outstanding common shares of the Company.

Additional Information

Proxy Solicitation

Management of the Company is soliciting your proxy. The solicitation is being made primarily by mail, but our directors, officers or employees may also solicit proxies at a nominal cost to the Company. The Company has retained and will pay for the services of Morrow Sodali for the solicitation of proxies in Canada and of D.F. King & Co., Inc. ("D.F. King"), for the solicitation of proxies in the U.S., at an aggregate cost estimated to be approximately C$80,000 plus additional costs relating to out-of-pocket expenses.

Questions

If you have questions about the information contained in this Information Circular or require assistance in completing your proxy form or voting instruction form, as applicable, please call Morrow Sodali, the Company's proxy solicitation agent in Canada, toll-free in North America at 1-888-999-0818 or at 1-289-695-3075 outside of North America, or by e-mail at **assistance@morrowsodali.com**; or D.F. King, the Company's proxy solicitation agent in the U.S., toll-free in North America at 1-888-542-7446 or at 1-212-269-5550 outside of North America, or by e-mail at **CN@dfking.com**.

Transfer Agent

You can contact the transfer agent either by mail at

Computershare Trust Company of Canada
100 University Ave., 8th Floor
Toronto (Ontario) M5J 2Y1

by telephone at 1-800-564-6253 or
by Internet at **www.investorcentre.com/service**, or
in French at **www.centredesinvestisseurs.com/service**.

Intermediaries Fees

Non-registered shareholders are either objecting beneficial owners who object that intermediaries disclose information about their ownership in the Company, or non-objecting beneficial owners, who do not object to such disclosure. The Company pays intermediaries to send proxy-related materials to both objecting and non-objecting beneficial owners.

Financial Statements

Our consolidated financial statements for the year ended December 31, 2021, together with the auditors' reports thereon, are included in the 2021 Annual Report of the Company, available on our website at www.cn.ca, on SEDAR at **www.sedar.com**, in the Company's annual report on Form 40-F available on the SEC's website at www.sec.gov through EDGAR, and in print, free of charge, to any shareholder who requests a copy by contacting our Corporate Secretary at (514) 399-7091 or Vice-President, Investor Relations at (514) 399-0052.

Election of Directors

Our articles of continuance, as amended, provide that our Board of Directors shall consist of a minimum of seven and a maximum of 21 directors. Pursuant to a resolution of the Board of Directors, 11 persons are to be elected as directors for the current year, each to hold office until the next annual meeting of shareholders or until such person's successor is elected or appointed.

The term of office of each of the present directors expires at the close of the Meeting. **The persons named in the section entitled "Nominees for Election to the Board—Description of Nominees" will be presented for election at the Meeting as management's nominees.** All of the nominees proposed for election as directors are currently directors of the Company, except for Mr. Knight, Mr. Freeman and Ms. Jones who are being proposed for election at the Meeting. All persons nominated were recommended to the Board of Directors by the Governance, Sustainability and Safety Committee. Mr. Pace, Mr. O'Connor and Mrs. Stein, who are currently directors of the Company, are not standing for re-election at the Meeting.

Unless authority is withheld, the persons designated in the accompanying form of proxy or voting instruction form intend to vote FOR the election of the persons named in the section entitled "Nominees for Election to the Board—Description of Nominees". These nominees are, in the opinion of the Board of Directors and management, well qualified to act as directors of the Company for the ensuing year and have confirmed their willingness to serve as directors. The Board of Directors and management do not contemplate that any of these nominees will be unable to serve as a director, but should that occur for any reason before the Meeting, the persons designated in the accompanying form of proxy or voting instruction form reserve the right to vote for another nominee at their discretion unless the shareholder who has given such proxy or voting instruction form has directed that the common shares be withheld from voting on the election of any of the directors.

Majority Voting Policy

The Board of Directors has adopted a policy which is part of our Corporate Governance Manual, to the effect that a nominee for election as a director of the Company who receives a greater number of votes "withheld" than votes "for", with respect to the election of directors by shareholders, will tender his or her resignation to the Board Chair promptly following the meeting of shareholders at which the director is elected. The Governance, Sustainability and Safety Committee will consider such offer and make a recommendation to the Board of Directors whether to accept it or not. The Board of Directors will make its decision and promptly announce it in a press release within 90 days following the meeting of shareholders, a copy of which will be provided to the Toronto Stock Exchange ("TSX"). The Board of Directors shall, however, accept such resignation absent exceptional circumstances. The resignation shall be effective when accepted by the Board of Directors. The director who offered to tender his or her resignation should not be part of any committee or Board of Directors deliberations pertaining to the resignation offer. This policy only applies in circumstances involving an uncontested election of directors. An "uncontested election of directors" means that the number of director nominees is the same as the number of directors to be elected to the Board and that no proxy material is circulated in support of one or more nominees who are not part of the candidates supported by the Board of Directors.

Appointment of Auditors

The Board of Directors and the Audit, Finance and Risk Committee recommend that KPMG LLP be appointed to serve as the Company's auditors until the next annual meeting of shareholders. The Audit, Finance and Risk Committee is responsible for recommending the appointment of the external auditors, evaluating and monitoring their qualifications, performance and independence, as well as assessing the appropriateness of the audit fees.

KPMG LLP has served as the Company's independent auditors since 1992. The Audit, Finance and Risk Committee continuously assesses the Company's external auditors, and on an annual basis reviews the audit and non-audit fees, audit quality, independence, and tenure of our auditors, including the benefits and risks of having a long- tenured auditor and the controls and processes that help ensure KPMG's independence. Additional information relating to the Company's Audit, Finance and Risk Committee can be found in the Company's 2021 Annual Information Form, available on SEDAR at **www.sedar.com**, on the SEC website at **www.sec.gov** through EDGAR and on CN's website at **www.cn.ca**. Additional information relating to auditors' independence can be found in "Schedule C – Additional Audit, Finance and Risk Committee Disclosure" of this Information Circular. For the years ended December 31, 2021 and 2020, the fees for audit, audit- related, tax and all other services provided to the Company by KPMG LLP were the following:

FEE (IN THOUSANDS)	2021 (C$)	2020 (C$)
Audit	2,838	2,778
Audit-related	1,357	1,122
Tax	1,394	1,205
All other	33	42
Total fees	**5,622**	**5,147**

Pursuant to the terms of its charter, the Audit, Finance and Risk Committee approves all audit and audit-related services, audit engagement fees and terms and all non-audit engagements provided by the external auditors. The Audit, Finance and Risk Committee pre-approved all the services performed by the auditors for audit, audit- related and non-audit related services for the years ended December 31, 2021 and 2020.

The nature of the services under each category is described below.

Audit Fees

Consists of fees incurred for professional services rendered by the auditors in relation to the audits of the Company's consolidated annual financial statements and internal control over financial reporting, review of quarterly reports and audits of the financial statements of certain of the Company's subsidiaries.

Audit-Related Fees

Audit-related fees were incurred for professional services rendered by the auditors in relation to the audit of the financial statements for the Company's pension plans, for attestation services in connection with reports required by statute or regulation, audit of the accounting associated with new, complex and proposed transactions and other services, including services required to be performed to issue consent or comfort letters, in connection with the issuance of securities or the filing of registration statements.

Tax Fees

Fees consist of compliance related services associated to cross-border employee tax filings, for assistance related to the preparation of Canadian and U.S. research and development tax credit filings and other tax advice and compliance services.

All Other Fees

Consists of fees related to forensic investigation and accounting services related to a foreign subsidiary.

Unless authority is withheld, the persons designated in the accompanying form of proxy or voting instruction form intend to vote FOR the appointment of KPMG LLP as auditors of the Company to hold office until the next annual meeting of shareholders.

Advisory Vote on Executive Compensation

The Company is again providing its shareholders with an opportunity to cast at the Meeting an advisory vote on the Company's approach to executive compensation, as disclosed in the "Statement of Executive Compensation" section of this Information Circular. Such section describes the role of the Human Resources and Compensation Committee in overseeing compensation of executives and ensuring that it is anchored on a disciplined approach, linked to performance so as to be market competitive. The section also describes the Company's executive compensation principles, the structure of the compensation plans for executives, and the alignment of such plans with the interests of our shareholders. **The Board of Directors recommends that shareholders vote FOR the resolution set out below and, unless otherwise instructed, the persons designated in the form of proxy or voting information form intend to vote FOR the following resolution:**

"RESOLVED that, on an advisory basis and not to diminish the role and responsibilities of the Board of Directors, the shareholders accept the approach to executive compensation disclosed in the section entitled "Statement of Executive Compensation" of the Information Circular of the Company dated April 5, 2022."

The Board of Directors has adopted a policy to the effect that, if a majority of the shares represented in person or by proxy at a meeting are voted against the above non-binding advisory resolution, the Board Chair or the Chair of the Human Resources and Compensation Committee will oversee a process to engage with shareholders with a view to giving them the opportunity to express their specific concerns. The Board of Directors and the Human Resources and Compensation Committee will consider the results of this process and, if appropriate, review the Company's approach to executive compensation in the context of shareholders' specific concerns.

Advisory Vote on Climate Change

The Company is providing its shareholders with an opportunity to cast at the Meeting an advisory vote on the Company's Climate Action Plan, as disclosed in the "Climate Action Plan Report" section of this Information Circular. Such section describes the role of the Board and the Governance, Sustainability and Safety Committee in overseeing the Company's greenhouse gas emissions ("GHG") reduction plan and ensuring it is linked to the Company's long term strategic plan. The section also describes the Company's GHG emission levels in a manner consistent with the TCFD recommendations and the strategy that the Company has adopted or will adopt to reduce the emissions in the future. **The Board of Directors recommends that shareholders vote FOR the resolution set out below and, unless otherwise instructed, the persons designated in the form of proxy or voting information form intend to vote FOR the following resolution:**

"RESOLVED that, on an advisory basis and not to diminish the role and responsibilities of the Board of Directors, the shareholders accept the Company's Climate Action Plan disclosing the Company's GHG emissions and the strategy the Company has adopted or will adopt in accordance with its Climate Action Plan to reduce the Company's GHG emission levels in the future, the whole in a manner consistent with the Task Force on Climate-Related Financial Disclosures recommendations, as disclosed in the section entitled "Climate Action Plan Report" of the Information Circular of the Company dated April 5, 2022.

The Board of Directors has adopted a policy to the effect that, if a majority of the shares represented in person or by proxy at a meeting are voted against the above non-binding advisory resolution, the Board Chair or the Chair of the Governance, Sustainability and Safety Committee will oversee a process to engage with shareholders with a view to giving them the opportunity to express their specific concerns with the Company's Climate Action Plan. The Board of Directors and the Governance, Sustainability and Safety Committee will consider the results of this process and, if appropriate, review the Company's Climate Action Plan in the context of shareholders' specific concerns.

Other Business

Following the conclusion of the formal business to be conducted at the Meeting, we will:

- discuss highlights of our 2021 performance and plans for the future, and
- invite questions and comments from shareholders.

As of the date of this Information Circular, management is not aware of any changes to these items and does not expect any other items to be brought forward at the Meeting. If there are changes or new items, your proxyholder can vote your shares on these items as he or she sees fit.

Nominees for Election to the Board

Description of Nominees

The following tables set out information as at April 5, 2022, unless otherwise indicated, and include a profile of each nominated director with an explanation of his or her experience, qualifications, top four competencies, participation on the Board and its committees, ownership of securities of CN, as well as participation on the boards of other public companies during the past five years. A more detailed description of our directors' competencies can be found under the heading "Competency Matrix" in the section entitled "Statement of Corporate Governance Practices". Each nominee, other than Mr. Knight, Mr. Freeman and Ms. Jones, is a current director of the Company. Mr. Pace, Mr. O'Connor and Mrs. Stein, who are currently directors of the Company, are not standing for re-election at the Meeting.

AGE
62 (1)

Ontario, Canada

DIRECTOR SINCE
April 25, 2017

Independent

Shauneen Bruder

Corporate Director and Vice Chair of the Board, CN

Ms. Bruder was, until her retirement on October 31, 2019, the Executive Vice-President, Operations at the Royal Bank of Canada ("RBC") where she was responsible for overseeing operations related to all personal and business clients in Canada. Her previous senior roles at RBC include Executive Vice-President of Business and Commercial Banking, Chief Operating Officer of the Global Wealth Management division and President of RBC Centura Bank, Inc. in North Carolina.

She is a member of the Institute of Corporate Directors and is Chair of the Board of Governors for the University of Guelph. Previously, she was appointed as the Chairperson of the Canadian Chamber of Commerce and the Canadian American Business Council. She serves as Honorary Consul for Luxembourg in Toronto. In 2012, she was awarded the Queen's Diamond Jubilee Medal. She was appointed as Vice Chair of the Board of CN on January 25, 2022.

Ms. Bruder was inducted in the Women's Executive Network 100 Most Powerful Women in Canada Hall of Fame in 2016. Ms. Bruder holds a B.A. from the University of Guelph and an MBA (Gold Medalist) from Queen's University.

Qualifications to sit on the Board

Ms. Bruder's decades-long experience as a senior executive in Canada and in the U.S. of a large capitalization financial institution and her role as board chair of a major Canadian university and Canadian and U.S. business councils gives her invaluable insights into Canadian and U.S. strategic business development, customer experience, financial matters and technology and innovation.

Ms. Bruder's Competencies

The following experience and skills qualify Ms. Bruder to sit on the Board of CN:

Principal (Top 4) Competencies

- **CEO/Executive Leadership Experience:** More than 20 years experience as a senior executive with RBC, including in roles as EVP Operations, EVP Business and Commercial Banking, Chief Operating Officer of the Global Wealth Management division, President of RBC Centura Bank, Inc. in North Carolina and senior executive roles in Marketing and Strategic Planning.
- **Strategic Planning:** Executive Vice-President, Operations and various other senior executive positions at RBC from 1996 to 2019; Chair of the Governance, Sustainability and Safety Committee of CN; Member of the Board of Directors of Andrew Peller Limited since 2018.
- **Customer Experience/Sales/Marketing:** Executive Vice-President, Operations and various other senior executive positions at RBC from 1996 to 2019; Member of the Board of Directors of CN since 2017.
- **Technology/Innovation/Artificial Intelligence/Cyber Security:** Past Executive Vice-President, Operations at RBC until 2019 responsible for: large scale digitization of core operations, data management and advanced analytics/machine learning programs, and enterprise fraud management.

MEMBER OF (2)	ATTENDANCE 2021
Board	100%
Audit Committee (Chair) (3)	100%
Donations and Sponsorships Committee (4)	100%
Environment, Safety and Security Committee (5)	100%
Audit, Finance and Risk Committee	100%
Governance, Sustainability and Safety Committee (Chair)	100%
Human Resources and Compensation Committee	100%

98.35% votes in favour in 2021.

OTHER CURRENT PUBLIC BOARD	
Andrew Peller Limited	(2018–present)

SECURITIES HELD	
Value at risk	**C$3,104,435 (6)**
Common Shares Owned or Controlled (7)	
19,410	April 2022
16,412	February 2021

AGE
57 [1]

Texas, USA

DIRECTOR SINCE
October 27, 2021

Independent

Jo-ann dePass Olsovsky

Retired Executive Vice-President and Chief Information Officer, Salesforce.com, Inc.

Ms. dePass Olsovsky was the Executive Vice-President and Chief Information Officer at Salesforce.com, Inc., a cloud-based software company, from February 2018 before her retirement from the role effective April 4, 2022. She currently acts as an advisor at Salesforce.com. At Salesforce.com, she oversaw global information technology organization in order to ensure business functionality, automation, mobility and an engaging user experience throughout Salesforce.com's platform.

Prior to Salesforce.com, Ms. dePass Olsovsky served approximately 12 years in executive roles at BNSF. As their Senior Vice-President and Chief Information Officer, she led BNSF's enterprise information technology. Prior to her work at BNSF, Ms. dePass Olsovsky held technology leadership positions at GTE/Verizon and AT&T from 1984 to 2006.

Ms. dePass Olsovsky is also a member of the board of directors for Reltio, a high-tech data management company. She has long been very active in local communities and has acted as customer board member at various global companies (including as a former member of the advisory boards at AT&T, Google and Dell), and previously acted as a member of TCU Neeley School of Business Advisory Board and the Fort Worth Hispanic Chamber of Commerce. She has earned numerous industry recognitions for technology achievements, including being voted one of "Ten Best in Texas Women to Know" in 2008 by the National Woman of Color Science, Technology, Engineering & Math (STEM) conference; being named one of Hispanic IT Executive Council's Top 100 Most Influential Hispanics; and, most recently, being named as #10 on Technology Magazine's 2021 TOP100 CIOs and Chief In Tech's 100 Women in Tech to Watch in 2022.

Ms. dePass Olsovsky holds a bachelor's degree in Business Management and an MBA from Nova Southeastern University, as well as a master's degree in Project Management from George Washington University.

Qualifications to sit on the Board

Ms. dePass Olsovsky's decades long experience and in-depth knowledge of technology, cybersecurity, infrastructure operations, as well as her history in senior executive leadership positions for over a decade at a Class I railroad, allows her to contribute meaningfully to the Board's vision and CN's strategic development, leadership and technology and innovation.

Ms. dePass Olsovsky's Competencies

The following experience and skills qualify Ms. dePass Olsovsky to sit on the Board of CN:

Principal (Top 4) Competencies

- **Technology/Innovation/Artificial Intelligence/Cyber Security:** Former Executive Vice-President and Chief Information Officer at Salesforce.com; Over 30 years of extensive experience in technology architecture, networking, cyber security, large scale systems implementation, M&A integrations, new products, cloud migration, digital customer experiences, data management & analytics, predictive sciences, aerial inspection, etc.
- **CEO/Executive Leadership Experience:** 16 years executive experience; Former Executive Vice-President and Chief Information Officer at Salesforce.com; Almost 12 years' experience at BNSF, most recently as Senior Vice-President and Chief Information Officer and initially VP & CIO since December 2007; Currently Reltio board of director member serving on various committees including Finance and Audit; 10 years on Railinc Board of Directors including serving on various committees and as board chair from 2014 to 2018.
- **Transportation Industry/Logistics/Supply Chain/Global Trade:** Almost 12 years' experience in senior management at BNSF; 10 years on Railinc Board of Directors including serving on various committees and as board chair from 2014 to 2018.
- **Customer Experience/Sales/Marketing:** Former Executive Vice-President and Chief Information Officer at Salesforce.com; Prior Senior Vice-President and Chief Information Officer at BNSF, partnered with external customers to implement technology to improve the customer experience (e.g. intermodal; mobile/web freight car requests, status, billing; train crew/industry freight move automation, etc.).

MEMBER OF [2]	ATTENDANCE 2021
Board	100%

OTHER CURRENT PUBLIC BOARDS
–

SECURITIES HELD	
Value at risk	**C$454,684 [6]**
Common Shares Owned or Controlled [7]	
2,841	April 2022
392	October 2021

AGE

67 (1)

Tennessee, USA

DIRECTOR SINCE

New Director Nominee

Independent

David Freeman

Corporate Director

David Freeman is the former Executive Vice President of Operations for BNSF. In this capacity, Mr. Freeman oversaw all engineering, environmental, mechanical, operations support, transportation, safety and training, service design and resource protection for the entire railway. After a successful 19-year career during which he held various senior positions, Mr. Freeman retired from BNSF in early 2020. Prior to joining BNSF, Mr. Freeman worked from 1981 to 2001 in the aluminum industry at Alcoa Corporation and Imco Recycling Inc., where he occupied various roles, including in manufacturing and supply chain. From 1976 to 1981, Mr. Freeman held different functions relating to engineering, mechanical and transportation at the Missouri Pacific Railroad (now a part of Union Pacific).

From March 2020 to March 2022, Mr. Freeman was a member of the Board of directors of Loram Holdings, Inc., a private company involved in the design, build and operations for various maintenance of way equipment and activities in the railroad industry. From 2008 to 2011, Mr. Freeman sat on the Board of governors of the American Railway Engineering and Maintenance-of-Way Association.

Mr. Freeman holds a B.S. in Civil Engineering from Lehigh University.

Qualifications to sit on the Board

Drawing on his enduring career in the railroad industry and his former position as Executive Vice President of BNSF, Mr. Freeman brings a wealth of experience to the Board with regards to leadership in the transportation industry as well as logistics, operations and risk management and safety.

Mr. Freeman's Competencies

The following experience and skills qualify Mr. Freeman to sit on the Board of CN:

Principal (Top 4) Competencies

- **Transport Industry/Logistics/Supply Chain/Global Trade:** Decades-long experience as former Executive Vice President of Operations for BNSF; Former member of the Board of Loram Holdings, Inc.; Board of governor's member of the American Railway Engineering and Maintenance-of-Way Association from 2008 to 2011; 20-year experience at Alcoa Corporation, including in manufacturing and supply chain.
- **Risk Management and Safety:** Former Executive Vice President of Operations for BNSF.
- **CEO/Executive Leadership Experience:** Former Executive Vice President of Operations for BNSF.
- **Strategic Planning:** Former Executive Vice President of Operations for BNSF; Former member of the Board of Loram Holdings, Inc.

OTHER CURRENT PUBLIC BOARDS
–

Nominees for Election to the Board

AGE
59 [1]

Michigan, USA

DIRECTOR SINCE
April 27, 2021

Independent

Denise Gray

Director, External Affairs & Government Relations, North America, LG Energy Solution Michigan Inc., U.S.

Ms. Gray is Director, External Affairs & Government Relations, North America, LG Energy Solution Michigan Inc., U.S., a subsidiary of LG Energy Solution Ltd. Until March 14, 2022, she oversaw the North American subsidiary of South Korean LG Energy Solution, one of the world's largest lithium-ion battery manufacturers, as President of LG Chem Michigan Inc. Tech Center, subsidiary of LG Energy Solution Ltd, since 2018. Before that, she was President and Chief Executive Officer of LG Chem Power, Inc., a company focused on lithium-ion polymer battery technology applications in the North American automotive and commercial markets. Prior to September 2015, she was Vice-President, Powertrain Electrification at AVL List GmbH in Graz, Austria and North America. For over 30 years prior to March 2010, she had roles of increasing responsibility at General Motors including acting as head of Global Battery Systems Engineering where she was a driving force behind the Chevrolet Volt Vehicle Battery.

Ms. Gray has been a member of the board of Tenneco, Inc., a U.S. public company and a manufacturer of automotive products for global markets, including light vehicle, commercial truck, industrial and the aftermarket since 2019 and serves as a member of the board's audit and compensation committees. Ms. Gray also serves on the board of directors of the Original Equipment Suppliers Association (OESA), a non-profit trade association that represents original equipment automotive suppliers in North America. Her support of the STEM (science, technology, engineering and mathematics) academic disciplines was recognized when she was awarded the 2017 Women of Color Technologist of the Year Award.

Ms. Gray holds a bachelor's degree in Electrical Engineering from Kettering University and a master's degree in Engineering Management Technology from Rensselaer Polytechnic Institute.

Qualifications to sit on the Board

Ms. Gray's decades-long experience as an executive including as President and Chief Executive Officer at the forefront of technological innovation in the transportation industry provides valuable insight to the Board on innovation and the use of new, greener technology in CN's operations. Her extensive experience in strategic planning for the development and implementation of new technology in traditional industries allows her to contribute meaningfully to the Board's vision and CN's strategic plan.

Ms. Gray's Competencies

The following experience and skills qualify Ms. Gray to sit on the Board of CN:

Principal (Top 4) Competencies

- **CEO/Executive Leadership Experience:** Director, External Affairs & Government Relations, North America, LG Energy Solution Michigan Inc., U.S. and previously as President and Chief Executive Officer of LG Chem Michigan Inc. Tech Center, and LG Chem Power, Inc., a global leading lithium-ion battery manufacturer; Over 30 years' experience as an executive with General Motors, a leading multinational automotive corporation.
- **Strategic Planning:** Overseeing the strategic planning for the development and implementation of innovative technology, including the development of the Chevrolet Volt Vehicle Battery; Member of the Governance, Sustainability and Safety Committee of CN.
- **Technology/Innovation/Artificial Intelligence/Cyber Security:** Experience in the application of innovative technology including lithium-ion batteries within traditional industries.
- **Transportation Industry/Logistics/Supply Chain/Global Trade:** Over 30 years of experience in the automotive industry both for an automotive manufacturer and for a supplier of original equipment to manufacturers in the transportation industry.

MEMBER OF [2]	ATTENDANCE 2021
Board	81%
Audit, Finance and Risk Committee	100%
Governance, Sustainability and Safety Committee	100%
Human Resources and Compensation Committee	75%

99.85% votes in favour in 2021.

OTHER CURRENT PUBLIC BOARD	
Tenneco, Inc.	(2019-present)

SECURITIES HELD	
Value at risk	**C$669,463** [6]
Common Shares Owned or Controlled [7]	
4,183	April 2022
Nil	February 2021

AGE
51 [1]

Washington, USA

DIRECTOR SINCE
April 27, 2021

Independent

Justin M. Howell

Senior Investment Manager, Cascade Asset Management Co.

Mr. Howell is a senior investment manager with Cascade Asset Management Co., the investment office for the Gates Family and the Bill and Melinda Gates Foundation. Mr. Howell was formerly an investment banker, with Bank of America Merrill Lynch, New York, New York and a lawyer with the law firm, Cravath, Swaine & Moore LLP, New York, New York.

Mr. Howell is the chair of the nomination and compensation committee and a member of the board of directors of Sika AG, a multinational specialty chemical company listed on the SIX Swiss Exchange and headquartered in Baar, Switzerland.

Mr. Howell studied at McGill University, Montreal, Canada and holds a B.A. from UNBC and a LL.B./B.C.L. degree from McGill University Faculty of Law. He is retired from the New York and Washington State Bars.

Qualifications to sit on the Board

Mr. Howell's in-depth knowledge of international financial and capital markets and extensive international experience in corporate finance, investment banking and M&A together with his wide network across industries gives him valuable insight into CN's international strategic development. With over 10 years of experience working for a global asset owner with a strong focus on sustainable, long-term investment coupled with his background as a lawyer, he brings to the Board broad expertise in the areas of sustainability, environmental, social and corporate responsibility, corporate governance and legal.

Mr. Howell's Competencies

The following experience and skills qualify Mr. Howell to sit on the Board of CN:

Principal (Top 4) Competencies

- **International/Global Experience and Perspective:** Senior investment manager of Cascade Asset Management Co.; Former investment banker at Bank of America Merrill Lynch (Experience in public and private equity investment for a global portfolio, governance principles in the U.S., Canada, and Europe, and complex transactions with multi-national businesses).
- **Environmental/Social/Corporate Responsibility:** Senior investment manager of Cascade Asset Management Co. (Experience in sustainable, long-term investment principles); Member of the Governance, Sustainability and Safety Committee of CN.
- **Corporate Governance/Public Company Experience:** Chair of the Nomination and Compensation Committee and member of the board of Sika AG (Experience in strategy-aligned compensation models and international governance principles for a major publicly listed company); Member of the Governance, Sustainability and Safety Committee of CN.
- **Finance/Accounting/Investor Relations:** Senior investment manager of Cascade Asset Management Co.; Former investment banker at Bank of America Merrill Lynch (Experience in investment management, overseeing complex M&A and other financial transactions, and corporate finance).

MEMBER OF [2]	ATTENDANCE 2021
Board	96%
Governance, Sustainability and Safety Committee	100%
Human Resources and Compensation Committee	100%
Pension and Investment Committee	100%

99.85% votes in favour in 2021.

OTHER CURRENT PUBLIC BOARD	
Sika AG	(2018-present)

SECURITIES HELD	
Value at risk	**C$565,434** [6]
Common Shares Owned or Controlled [7]	
3,533	April 2022
Nil	February 2021

AGE
52[1]

Alberta, Canada

DIRECTOR SINCE
New Director Nominee

Independent

Susan C. Jones

Corporate Director

Ms. Jones is a Corporate Director having served on numerous public company boards and having held various leadership positions within public companies throughout her career in the energy, energy transition, mining and agricultural sectors. She also has experience with Class I railroads from a customer-lens, having dealt with such railways as customers throughout her career. She currently sits on the boards of the companies in the below table.

Ms. Jones served as Executive Vice President and Chief Executive Officer of the Potash Business Unit at Nutrien Ltd. ("Nutrien") until her retirement in 2019. She also held a variety of leadership roles within Nutrien between 2004 and 2017, including, among others, Chief Legal Officer, President of the Phosphate Business Unit, Managing Director of the European Fertilizer trading business, Vice-President of Marketing and Distribution, and Senior Director of Business Development and Strategy. In these roles, she was responsible for running and transforming large businesses, with a focus on operational excellence, people and culture, including leadership in unionized environments. Prior to her career at Nutrien, Ms. Jones was a partner at Jones & Ruud Law Corp from 1996 until 2003.

Ms. Jones holds a Bachelor of Arts in Political Science and Hispanic Studies from the University of Victoria, as well as a Bachelor of Laws from the University of Ottawa. She also earned a Leadership Diploma from the University of Oxford and holds a Director Certificate from Harvard University. In 2017, she was named the Osler Purdy Crawford Deal Maker of the Year at the Canadian General Counsel Awards in recognition of her role in the merger of Agrium Inc. and Potash Corporation of Saskatchewan Inc.

Ms. Jones has also served on the United Way and the Canadian Bar Association and has been an active supporter of women's leadership groups and equity, diversity and inclusion throughout her career.

Qualifications to sit on the Board

Ms. Jones' extensive experience in senior executive positions at a large global mining agriculture company, along with her experience as a board and board committee member of various large public companies and her distinguished legal background will allow her to bring to the Board invaluable insight into strategic business development and transformations and environmental, social and corporate governance issues, as well as into regulatory and legal matters.

Ms. Jones' Competencies

The following experience and skills qualify Ms. Jones to sit on the Board of CN:

Principal (Top 4) Competencies

- **CEO/Executive Leadership Experience:** Former Executive Vice President and Chief Executive Officer of the Potash Business Unit of Nutrien; Former Chief Legal Officer of Nutrien; Former Senior Vice President and President of the Phosphate Business Unit at Nutrien; Generally, held various executive leadership positions within Nutrien for over 15 years from 2004 until her retirement in 2019.
- **Government/Regulatory/Public Policy/Legal:** Former Chief Legal Officer of Nutrien from March 2015 until December 2017; Former legal counsel of Nutrien from 2004 until 2007; Co-Chair of the Food & Agribusiness Section of the Canadian Bar Association in 2017; Former partner at Jones & Ruud Law Corp for nearly a decade.
- **People and Talent Management/Organized Labour/Diversity and Inclusion:** Chair of the Compensation Committee and member of the Nominating and Governance Committee at Piedmont Lithium Inc.; Member of the Human Resources Committee of TC Energy Corporation; Member of the Human Resources & Compensation Committee of ARC Resources Ltd.; Generally, extensive board, senior leadership and executive experience overseeing large groups of employees with a focus on building strong employee engagement, trust and retention.
- **Environmental/Social/Corporate Responsibility:** Member of the Safety, Reserves & Operational Excellence Committee at ARC Resources Ltd.; Former member of the Environmental, Social, Governance, Health and Safety Committee at Gibson Energy Inc. from December 2018 to February 2020; Former Chief Legal Officer of Nutrien; Extensive experience in the development and governance oversight of sustainability strategies including health & safety, environmental stewardship and energy transition and the advancement of equity, diversity and inclusion priorities.

OTHER CURRENT PUBLIC BOARDS[8]	
TC Energy Corporation	(2020-present)
ARC Resources Ltd.	(2020-present)*
Piedmont Lithium Inc.	(2021-present)

* Ms. Jones served on the board of Seven Generations Energy Ltd. starting in 2020, and continued on the board of ARC Resources Ltd. after its merger with Seven Generations Energy Ltd. in 2021.

OTHER PUBLIC BOARDS DURING PAST 5 YEARS	
Gibson Energy Inc.	(2018–2020)

AGE
64 (1)

Florida, U.S.A.

DIRECTOR SINCE
New Director Nominee

Independent

Robert Knight

Corporate Director

Robert Knight is a corporate director and the former Chief Financial Officer of Union Pacific Corporation, a position he held for 15 years before retiring in December 2019. For seven consecutive years, Mr. Knight was named to Institutional Investor magazine's All-America Executive Team as the top CFO in all of transportation. During Mr. Knight's 40-year tenure at Union Pacific Corporation, he also held a variety of senior executive positions, including General Manager of the company's energy and automotive business units.

As a proven leader with extensive experience in finance, strategy and corporate governance, Mr. Knight serves as a director and member of the Compensation Committee at Schneider National, Inc., director and Chair of the Audit Committee at Hyliion Holdings Corp. and director at Carrix Corporation, a private transportation services company.

Mr. Knight holds an MBA from Southern Illinois University and a B.A. from Kansas State University.

Qualifications to sit on the Board

With his decades-long experience in finance and corporate governance as former CFO of a Class I railroad, Mr. Knight brings to the Board business and strategic leadership, as well as extensive knowledge of the transportation industry. Mr. Knight will provide the Board with ground experience and a global vision of business strategy.

Mr. Knight's Competencies

The following experience and skills qualify Mr. Knight to sit on the Board of CN:

Principal (Top 4) Competencies

- **Finance/Accounting/Investor Relations:** Chair of Audit Committee of Hyliion Holdings Corp.; Chief Financial Officer of Union Pacific Corporation from 2004 to 2019.
- **Transport Industry/Logistics/Supply Chain/Global Trade:** Former Chief Financial Officer of Union Pacific Corporation; Independent Director at Schneider National, Inc., a transportation and logistics company, since April 2020 and Carrix, Inc., a privately-held marine terminal and rail operator company.
- **Strategic Planning:** Former Chief Financial Officer of Union Pacific Corporation; Member of the Board of Schneider National, Inc. since April 2020; Member of the Board of Hyliion Holdings Corp. since October 2020.
- **Corporate Governance/Public Company Experience:** Member of the Board of Schneider National, Inc. since April 2020; Member of the Board of Hyliion Holdings Corp. since October 2020.

OTHER CURRENT PUBLIC BOARDS	
Schneider National, Inc.	(2020-present)
Hyliion Holdings Corp.	(2020-present)

AGE
71 (1)

Ontario, Canada

DIRECTOR SINCE
April 23, 2014

Independent

The Hon. Kevin G. Lynch, P.C., O.C., PH.D., LL.D.

Corporate Director

The Honourable Kevin Lynch was Vice Chair of BMO Financial Group from 2010 until his retirement in the fall of 2020. Prior to joining BMO, Dr. Lynch had a distinguished 33 year career with the Government of Canada, serving as Clerk of the Privy Council, Secretary to the Cabinet, Deputy Minister of Finance, Deputy Minister of Industry as well as Executive Director at the International Monetary Fund.

Dr. Lynch is the past Chancellor of the University of King's College, the past Chair of the Board of Governors of the University of Waterloo, a Senior Fellow of Massey College and a Trustee of the Killam Trusts.

Dr. Lynch is a director emeritus of the Governor General's Rideau Hall Foundation and a member of the Bretton Woods Committee. He recently retired from his directorships at Communitech and the Asia Pacific Foundation of Canada.

Dr. Lynch earned a B.A. from Mount Allison University, a Masters in Economics from the University of Manchester and a doctorate in Economics from McMaster University. He was made a Member of the Queen's Privy Council for Canada in 2009, was appointed an Officer of the Order of Canada in 2011, has received 11 honorary doctorates from Canadian Universities and was awarded the Queen's Golden and Diamond Jubilee Medals for public service.

Qualifications to sit on the Board

Due to his distinguished career in public service, numerous academic achievements, significant experience as both a senior executive and director of major public companies, and participation on numerous not-for-profit boards, Dr. Lynch brings to the Board invaluable insight into public policy, strategic business development and financial matters.

Dr. Lynch's Competencies

The following experience and skills qualify Dr. Lynch to sit on the Board of CN:

Principal (Top 4) Competencies

- **Finance/Accounting/Investor Relations:** Deputy Minister of Finance, responsible for federal budgets and the Public Accounts; Member of the Accounting Standards Oversight Council of Canada; Experience as Vice Chair of BMO Financial Group; Member of the Audit, Finance and Risk Committee of CN; Former member of the Pension and Investment Committee of CN.
- **Government/Regulatory/Public Policy/Legal:** Public service career including as Clerk of the Privy Council, the highest ranking federal public servant, Secretary to the Cabinet, Deputy Minister of Finance, Deputy Minister of Industry as well as Executive Director for Canada at the International Monetary Fund.
- **People and Talent Management/Organized Labour/Diversity and Inclusion:** Head of the Public Service of Canada; Deputy Minister of two government departments; Chair of the Human Resources and Compensation Committee of CN; Former member of the Pension and Investment Committee of CN; Former member of the Human Resources Committee of Empire Company Limited.
- **Strategic Planning:** Deputy Minister of Finance, responsible for leading the Government of Canada's annual policy planning and budget cycle; Former Chair of the board of SNC-Lavalin Group Inc.; Experience as Vice Chair of BMO Financial Group; Executive Director at the IMF; Former member of the Strategic Planning Committee of CN; Member of the Governance, Sustainability and Safety Committee of CN; Former member of the Corporate Governance and Nominating Committee of CN.

MEMBER OF (2)	ATTENDANCE 2021
Board	98%
Audit Committee (3)	100%
Corporate Governance and Nominating Committee (5)	100%
Strategic Planning Committee (9)	100%
Audit, Finance and Risk Committee	100%
Governance, Sustainability and Safety Committee	100%
Human Resources and Compensation Committee (Chair)	100%

98.11% votes in favour in 2021.

OTHER PUBLIC BOARDS DURING PAST 5 YEARS	
SNC-Lavalin Group Inc.	(2017–2020)
CNOOC Limited	(2014–2019)
Empire Company Limited (Sobeys, Inc.)	(2013–2017)

SECURITIES HELD	
Value at risk	**C$5,408,211** (6)
Common Shares Owned or Controlled (7)	
33,814	April 2022
30,546	February 2021

AGE
60 [1]

Alberta, Canada

DIRECTOR SINCE
October 6, 2020

Independent

Margaret A. McKenzie

Corporate Director

Ms. McKenzie is a Corporate Director with more than 30 years' experience in the energy sector where she developed expertise in financial reporting, treasury, corporate finance and risk management. She is currently serving on the board of the companies mentioned in the below table.

Ms. McKenzie is the founder and former Chief Financial Officer of Range Royalty Management Ltd, a position she assumed from 2006 to 2014. In addition to being the Chief Financial Officer of Profico Energy Management Ltd. from 2000 to 2006, Ms. McKenzie served on both public and private company boards since 2006. She has also served as director for non-profit boards such as the Audit Committee for the University of Calgary from 2014 to 2017, the Capital Campaign Committee for the Alex Community Food Centre in 2016–2017.

Ms. McKenzie holds a Bachelor of Commerce Degree (Accounting) from the University of Saskatchewan and has obtained her designation as ICD.D with the Institute of Corporate Directors. She has also been Chartered Professional Accountant (CPA CA) since 1985.

Qualifications to sit on the Board

Ms. McKenzie's decades-long experience as a senior executive of Canadian energy companies and extensive experience as a board member of major public issuers operating in the same sector, as well as her service and entrepreneurial experience as a founder and board member of various private companies, allow her to bring invaluable insight into financial matters, environmental, social and corporate governance issues and strategic business development.

Ms. McKenzie's Competencies

The following experience and skills qualify Ms. McKenzie to sit on the Board of CN:

Principal (Top 4) Competencies

- **Finance/Accounting/Investor Relations:** Chief Financial Officer of Range Royalty Management Ltd. from 2006 to 2014; Chief Financial Officer of Profico Energy Management Ltd. from 2000 to 2006; Member of the Audit, Finance and Risk Committee of CN; Member of the Pension and Investment Committee of CN; Chair of the Audit Committee of PrairieSky Royalty Ltd.; Former member of the Finance Committee of CN; Former member of the Audit Committee of Ovintiv Inc.; Former member of the Audit Committee of Inter Pipeline Ltd.
- **Risk Management and Safety:** Member of the Major Projects Review Committee of Inter Pipeline Ltd.; Former member of the Environment, Safety and Security Committee of CN.
- **Strategic Planning:** Founder of Range Royalty Management Ltd; Member of the Board of Directors of PrairieSky Royalty Ltd. since 2014; Former member of the Strategic Planning Committee of CN; Former member of the Board of Directors of Ovintiv Corporation; Former member of the Board of Directors of InterPipeline Limited; Appointed Chair of the Special Committee of Independent Directors of Inter Pipeline Ltd. in connection with the launch of a comprehensive Strategic Review process; Former member of the Corporate Governance and Nominating Committee of CN.
- **Environmental/Social/Corporate Responsibility:** Former member of the Corporate Governance and Nominating Committee of CN; Former member of the Environment, Safety & Security Committee of CN; Over thirty years of experience in energy business overseeing safety, risk management and environmental matters; Individual Member of the Sustainability Accounting Standards Board ("SASB").

MEMBER OF [2]	ATTENDANCE 2021
Board	100%
Corporate Governance and Nominating Committee [5] [10]	100%
Environment, Safety and Security Committee [5] [10]	100%
Finance Committee [3]	100%
Strategic Planning Committee [9]	100%
Audit, Finance and Risk Committee	100%
Pension and Investment Committee	100%

99.49% votes in favour in 2021.

OTHER CURRENT PUBLIC BOARDS	
PrairieSky Royalty Ltd. (PSK)	(2014-present)

OTHER PUBLIC BOARD DURING PAST 5 YEARS	
Ovintiv Corporation	(2015–2021)
InterPipeline Limited (IPL)	(2015–2021)
Bonavista Energy Corporation	(2006–2018)

SECURITIES HELD	
Value at risk	**C$1,876,736** [6]
Common Shares Owned or Controlled [7]	
11,734	April 2022
5,217	February 2021

AGE
71 (1)

British Columbia, Canada

DIRECTOR SINCE
April 23, 2014

Independent

Robert L. Phillips

President, R.L. Phillips Investments Inc.

Mr. Phillips is the President of R.L. Phillips Investments Inc. and was previously President and Chief Executive Officer and director of British Columbia Railway Company Limited from 2001 to 2004. Mr. Phillips was Executive Vice-President, Business Development and Strategy for MacMillan Bloedel Ltd. and, before that, held the position of Chief Executive Officer at PTI Group and Dreco Energy Services Limited. He also enjoyed a prestigious career as a corporate lawyer and was appointed to the Queen's Counsel in Alberta in 1991. Mr. Phillips was inducted as a fellow of the Institute of Corporate Directors in June 2017.

Mr. Phillips serves on the public boards mentioned in the below table.

Mr. Phillips received his Bachelor of Laws (Gold Medalist), and Bachelor of Science, Chemical Engineering (Hons) from the University of Alberta.

Qualifications to sit on the Board

In addition to the transport industry specific experience as President and Chief Executive Officer and director of British Columbia Railway Company Limited, Mr. Phillips brings extensive experience as a board member of major public companies operating in Canada and the U.S. in the transportation, financial, forestry, energy and space industries. This experience enables him to provide the Board with both a transport industry perspective and a broad vision of business strategy.

Mr. Phillips' Competencies

The following experience and skills qualify Mr. Phillips to sit on the Board of CN:

Principal (Top 4) Competencies

- **CEO/Executive Leadership Experience:** President of R.L. Phillips Investments Inc.; President and Chief Executive Officer and director of British Columbia Railway Company Limited from 2001 to 2004; Former Executive Vice-President, Business Development and Strategy for MacMillan Bloedel Ltd; Former Chief Executive Officer at PTI Group and Dreco Energy Services Limited.
- **Transport Industry/Logistics/Supply Chain/Global Trade:** Member of the Board of CN since 2014 and former member of its Environment, Safety & Security Committee; President and Chief Executive Officer and director of British Columbia Railway Company Limited from 2001 to 2004.
- **Strategic Planning:** Former member of the Strategic Planning Committee of CN; Member of the Risk Management Committee of Canadian Western Bank*; Former Chair of the Corporate Governance and Nominating Committee of CN.
- **Corporate Governance/Public Company Experience:** Member of the Board of CN since 2014; Chair of the Board of Directors of Canadian Western Bank since 2016 (director since 2001)*; Lead Director of West Fraser Timber Co. Ltd. since 2008 (director since 2005); Member of the Board of Directors of Capital Power Corporation since 2019; Member of the Board of Directors of Precision Drilling Corporation from 2004 to 2017; Member of the Board of Directors of Maxar Technologies from 2003 to 2020.

MEMBER OF (2)	ATTENDANCE 2021
Board	98%
Corporate Governance and Nominating Committee (Chair) (5) (10)	100%
Environment, Safety & Security Committee (5) (10)	100%
Finance Committee (3)	100%
Audit, Finance and Risk Committee (Chair)	100%
Human Resources and Compensation Committee	100%

95.08% votes in favour in 2021.

OTHER CURRENT PUBLIC BOARDS	
Capital Power Corporation	(2019–present)
West Fraser Timber Co. Ltd. (Lead Director)	(2005–present)
Canadian Western Bank (Chair)*	(2001–present)

* Mr. Phillips is not standing for re-election at the April 7, 2022 annual shareholders' meeting of Canadian Western Bank.

OTHER PUBLIC BOARDS DURING PAST 5 YEARS	
Maxar Technologies Inc. (and its predecessor Maxar Technologies Ltd (formerly MacDonald Dettwiler & Associates Ltd.))	(2003–2020)
Precision Drilling Corporation	(2004–2017)

SECURITIES HELD	
Value at risk	**C$6,002,388** (6)
Common Shares Owned or Controlled (7)	
37,529	April 2022
33,812	February 2021

AGE
58 [1]

Alberta, Canada

DIRECTOR SINCE
February 28, 2022

Non-Independent

Tracy Robinson

President and Chief Executive Officer, CN

Ms. Robinson was appointed President and Chief Executive Officer of CN on January 25, 2022, effective February 28, 2022. Prior to joining CN, she held various senior and executive positions at TC Energy Corporation between 2014 and 2022, including most recently as Executive Vice-President of TC Energy Corporation, President of Canadian Natural Gas Pipelines and President Coastal GasLink from 2019 to 2022. She also previously worked at Canadian Pacific Railway for nearly three decades.

Over the course of her career, Ms. Robinson has developed meaningful experience on private and industry boards. She chaired the board of the Canadian Energy Pipeline Association and served on the boards of the Canadian Gas Association and the Business Council of British Columbia. She also served on the board of Shock Trauma Air Rescue Service (STARS), a charitable and non-profit entity governed by a volunteer board of directors, and acted as a board member of Smart Sand, Inc., a Nasdaq-listed frac sand supply and services company. Ms. Robinson is currently on the Campaign Committee of the University of Saskatchewan ("U. of S.") and the Dean's Advisory Council at the Edward's School of Business of the U. of S.

Ms. Robinson holds a Masters of Business Administration from the University of Pennsylvania's Wharton School of Business and a Bachelor of Commerce Degree from the University of Saskatchewan. She received her Institute of Corporate Directors designation in 2015.

Qualifications to sit on the Board

With her extensive executive experience and past tenure at Canadian Pacific for 27 years, Ms. Robinson brings over 35 years of valuable railroad experience, operational management, strategy development and project execution experience to the Board, which will allow her to contribute to driving growth and profitability to CN and providing value to our stakeholders.

Ms. Robinson's Competencies

The following experience and skills qualify Ms. Robinson to sit on the Board of CN:

Principal (Top 4) Competencies

- **CEO/Executive Leadership Experience:** Executive Vice-President, President and various other senior leadership positions at TC Energy Corporation since 2014; extensive executive experience in Commercial, Operations and Finance at Canadian Pacific.
- **Transport Industry/Logistics/Supply Chain/Global Trade:** Nearly three decades of experience, including in senior and executive positions, in roles spanning across Commercial, Operations and Finance at Canadian Pacific.
- **Strategic Planning:** Responsible for various segments and high-profile projects in her position as Executive Vice-President and President at TC Energy Corporation, including the profitability and growth of its Canadian natural pipelines business and all aspects of its Coastal GasLink project; Spent nearly three decades at Canadian Pacific, with experience including positions in operations, finance and marketing.
- **Finance/Accounting/Investor Relations:** Masters of Business Administration from the Wharton School of Business and Bachelor of Commerce Degree from the University of Saskatchewan; held positions across the Commercial and Finance sectors, among others, at Canadian Pacific during her 27-year tenure; responsible for all aspects of TC Energy's CoastalGas Link project, including stakeholder relations.

MEMBER OF [2]	ATTENDANCE 2021
Board	–

OTHER PUBLIC BOARD DURING PAST 5 YEARS	
Smart Sand, Inc.	(2015–2019)

SECURITIES HELD [11]	
Value at risk	**C$3,679** [6]
Common Shares Owned or Controlled [7]	
23	April 2022
Nil	February 2021 [12]
Stock Options Held [13]	
117,000	April 2022
Nil	February 2021 [12]

(1) The age of the directors is provided as at May 20, 2022, the date of the Meeting.

(2) For a detailed review of the 2021 Board and committee attendance by directors, please refer to the Attendance Table found in the "Statement of Corporate Governance Practices" section of this Information Circular.

(3) Effective as of April 27, 2021, the Audit Committee was merged with the Finance Committee to form the Audit, Finance and Risk Committee.

(4) Effective as of April 27, 2021, the Donations and Sponsorships Committee was disbanded and the Governance, Sustainability and Safety Committee now has oversight of contributions approved by management.

(5) Effective as of April 27, 2021, the Corporate Governance and Nominating Committee was merged with the Environment, Safety and Security Committee to form the Governance, Sustainability and Safety Committee.

(6) The Value at risk for non-executive directors represents the total value of common shares and Deferred Share Units ("DSUs") under the Deferred Share Unit Plan for non-executive directors ("DSU Plan"), which total value is based on April 1, 2022, closing price of the common shares on the TSX (C$159.94) or, for Jo-ann dePass Olsovsky, Denise Gray, Justin M. Howell, Robert Knight and David Freeman, the closing price of the common shares on the New York Stock Exchange ("NYSE") (U.S.$127.81) converted to Canadian dollars using the rate of exchange of Bloomberg (U.S.$1.00 = C$1.2522) on the same date.

(7) The information regarding common shares beneficially owned, controlled or directed directly or indirectly, has been furnished by the respective directors individually as at April 1, 2022 and, for 2021, as at February 26, 2021 (except for Ms. dePass Olsovsky, which is set out as at October 27, 2021) and includes DSUs for non- executive directors. For further information on the DSU Plan, please see the "Board of Directors Compensation" section of this Information Circular.

(8) Ms. Jones has committed to reducing her directorships within the next year if elected to the Board, in alignment with CN's overboarding guidelines and within CN's prescribed transitioning period, as authorized by the Board. See "CN's Environmental and Corporate Governance (ESG) Initiatives" on page 28 of this Information Circular for more information on CN's overboarding policy.

(9) Effective as of April 27, 2021, the Strategic Planning Committee was disbanded and the full Board assumed responsibility for the strategic planning process and oversight of CN's strategic and business plans and capital budget.

(10) Effective as of April 27, 2021, Ms. McKenzie and Mr. Phillips came off the Corporate Governance and Nominating Committee and the Environment, Safety and Security Committee.

(11) For a discussion on Tracy Robinson's shareholding requirements, please see the section on "Stock Ownership" on page 60 of this Information Circular. Ms. Robinson is also enrolled in the ESIP. See "Employee Share Investment Plan" on page 60 of this Information Circular.

(12) Ms. Robinson joined the Board effective February 28, 2022 and held no stock options, common shares, DSUs or similar share equivalents of CN prior to joining the Board.

(13) Stock options granted to Ms. Robinson pursuant to the Management Long-Term Incentive Plan. For further details on the plan, please see the "Statement of Executive Compensation" section of this Information Circular.

Additional Disclosure Relating to Directors

As of the date hereof, to the knowledge of the Company and based upon information provided to it by the directors, no director is or has been within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including CN) that: (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (each, an "order") that was issued while such director was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an order that was issued after such director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while such director was acting in the capacity as director, chief executive officer or chief financial officer.

Except as disclosed in this section, as of the date hereof, to the knowledge of the Company and based upon information provided to it by the directors, no director is or has been, in the last 10 years, a director or executive officer of any company that, while such person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets. On March 31, 2016, Ms. McKenzie, a current Board member of the Company, resigned as a director of Endurance Energy Ltd. ("Endurance"), a privately held natural gas exploration company. Endurance filed for creditor protection under the *Companies' Creditors Arrangement Act* in May 2016, and was placed into bankruptcy in November 2017.

CN's compensation program is designed to attract and retain the most qualified people to serve on CN's Board and its committees and takes into account the risks and responsibilities of being an effective director. To reflect the Company's extensive operations in the U.S. and the Company's need to attract and retain directors with experience in doing business in the U.S., the compensation of the non-executive directors of the Company is designed to be comparable to that of large U.S.-based companies.

The Board sets the compensation of non-executive directors based on the Governance, Sustainability and Safety Committee's recommendations. This committee regularly reviews the compensation of non-executive directors and recommends to the Board such adjustments as it considers appropriate and necessary to recognize the workload, time commitment and responsibility of the Board and the committee members and to remain competitive with director compensation trends in Canada and the U.S. Any director who is also an employee of the Company or of any of its affiliates does not receive any compensation as a director.

Effective January 1, 2015, following a review of the compensation arrangements for non-executive directors with the help of external advisors, the Board, upon the advice of the former Corporate Governance and Nominating Committee, approved revisions to non-executive directors' compensation, which now consists of an all-inclusive annual retainer structure comprising both a cash and an equity component. Board and committee meeting attendance fees, as well as travel attendance fees, were eliminated, and the flat-fee compensation structure applies regardless of the number of meetings attended by directors. The compensation structure was thereafter reviewed annually by the Corporate Governance and Nominating Committee and the Board, and has remained unchanged, including for 2021. In addition, the Governance, Sustainability and Safety Committee and the Board also reviewed the compensation structure and agreed that it would remain unchanged for 2022. The flat-fee approach was found, and continues to be, consistent with the compensation trends of the comparator groups, adds predictability to compensation paid to non-executive directors, and is simpler to administer.

Comparator Groups

CN's non-executive directors' compensation is compared against three separate comparator groups: (i) selected Class I Railroads (see table below) composed of the same companies used for benchmarking the NEOs' compensation, given CN is one of the Class I Railroads; (ii) a Canadian peer group of companies (see table below) with comparable size to CN in terms of revenues and market capitalization, given CN is a Canadian company competing to attract and retain Canadian directors; and (iii) U.S. companies comprised in the Standard and Poor's 500 Index, given CN's extensive network in the U.S. and its need to attract and retain U.S.-based directors. We conduct a market review of the compensation of CN's non-executive directors on an annual basis with the assistance of an external firm. In the fall of 2021, our review confirmed that compensation remained well-aligned with the upper end of each of these comparator groups.

Selected Class I Railroads

Union Pacific Corporation
(U.S.)

Norfolk Southern Corporation
(U.S.)

Canadian Pacific Railway Ltd.
(CDN)

CSX Corporation
(U.S.)

Canadian Peer Group of Companies

Air Canada
Airlines

Bank of Montreal
Banks

Barrick Gold Corporation
Metals & Mining

BCE Inc.
Diversified Telecommunication

Bombardier Inc.
Aerospace & Defense

Canadian Imperial Bank of Commerce
Banks of Commerce

Canadian Natural Resources Ltd.
Oil, Gas and Consumable Fuels

Canadian Pacific Railway Ltd.
Road & Rail

Canadian Tire Corporation
Multiline Retail

Cenovus Energy Inc.
Oil, Gas and Consumable Fuels

CGI Inc.
IT services

Manulife Financial
Insurance Corporation

Nutrien Ltd
Chemicals

Rogers Communications Inc.
Diversified Telecommunication

Sun Life Financial Inc.
Insurance

Suncor Energy Inc.
Oil, Gas and Consumable Fuels

Teck Resources Ltd.
Metals & Mining

Telus Corporation
Diversified Telecommunication

Thomson Reuters Corporation
Media

TC Energy Corporation
Oil, Gas and Consumable Fuels

Compensation Levels

The following table shows the compensation levels for CN's non-executive directors during 2021. The Governance, Sustainability and Safety Committee reviewed the compensation levels for CN's non-executive directors in 2021 and in light of the flat fee compensation structure, resolved that such compensation levels remain unchanged for 2021. Directors' compensation levels have therefore remained the same since 2015.

TYPE OF FEE (1)	FEE (U.S.$) 2021
Board Chair Cash Retainer (2)	175,000
Board Chair Share Grant Retainer (2)	375,000
Director Cash Retainer	35,000
Director Share Grant Retainer	200,000
Committee Chair Cash Retainers (3)	
Audit, Finance and Risk Committee and Human Resources and Compensation Committee Chairs	75,000
Other Committee Chairs	65,000
Committee Member Cash Retainer	55,000

(1) The non-executive directors (including the Board Chair) may choose to receive all or part of their cash retainers in common shares or DSUs (see the following Compensation Tables for details) and their common share grant retainer can also be received in DSUs. The common shares are purchased on the open market.

(2) The Board Chair receives no additional director retainer nor committee Chair or committee member retainer.

(3) Committee Chairs receive no additional committee Chair or committee member retainer.

Compensation Table in Canadian Dollars (1)

The table below reflects in detail the compensation earned by the Company's non-executive directors, expressed in Canadian dollars, in the 12-month period ended December 31, 2021, in accordance with the disclosure rules issued by the Canadian Securities Administrators (the "CSA"). Directors' compensation has been set in U.S. dollars since 2002 and the fluctuation in the exchange rate affects year-over-year comparability. Please see footnote 1 in the below table for currency exchange information, and the Compensation Table in U.S. dollars.

Fees Earned (Canadian $)

NAME	DIRECTOR AND BOARD CHAIR CASH RETAINER	COMMITTEE CHAIR & COMMITTEE MEMBER CASH RETAINER	TOTAL CASH RETAINER (2)	SHARE-BASED AWARDS (3)	ALL OTHER COMPENSATION	TOTAL COMPENSATION	PERCENTAGE OF TOTAL FEE RECEIVED IN COMMON SHARES AND/ DSUs (5)
Current Directors							
Shauneen Bruder	44,720	95,828 (7)	140,548	255,540		396,088	100%
Jo-ann dePass Olsovsky (6)	7,791	12,243	20,034	44,520		64,554	100%
Denise Gray (6)	30,416	47,798	78,214	173,810		252,024	100%
Justin M. Howell (6)	30,076	47,263	77,339	173,810		251,149	84%
The Hon. Kevin G. Lynch	43,873	94,013	137,886	255,540		393,426	65%
Margaret A. McKenzie	44,720	70,274	114,994	255,540		370,534	100%
James E. O'Connor (8)	43,873	68,943	112,816	255,540		368,356	69%
Robert Pace (8)	219,363	–	219,363	479,138	2,402 (4)	700,903	68%
Robert L. Phillips	43,873	89,835 (7)	133,708	255,540		389,248	66%
Laura Stein (8)	44,720	83,051 (7)	127,771	255,540		383,311	100%
Retired Directors							
Donald J Carty (9)	44,720	70,274	114,994	255,540		370,534	100%
Gordon Giffin (9)	14,625	27,160	41,785	255,540		297,325	86%
Julie Godin (9)	44,720	70,274	114,994	255,540		370,534	100%
Edith Holiday (9)	14,625	27,160	41,785	255,540		297,325	86%
Maureen Kempston Darkes (9)	14,625	27,160	41,785	255,540		297,325	86%
Denis Losier (9)	14,625	22,980	37,605	255,540		293,145	87%
Total	**701,365**	**854,256**	**1,555,621**	**3,937,758**	**2,402**	**5,495,781**	**85%**

(1) All directors earned compensation in U.S. dollars. The directors and the Board Chair may choose to receive all or part of their cash retainers in common shares or DSUs, and may also choose to receive their common share grant retainer in DSUs. Compensation received in cash was converted to Canadian dollars using the average rate of exchange of the Bank of Canada for 2021 (U.S.$1.00 = C$1.2535). Compensation elected to be received in common shares or DSUs was converted to Canadian dollars using the rate of exchange of Bloomberg (U.S.$1.00 = C$1.2777), on the purchase or reference day (January 29, 2021); or September 20, 2021 in the case of Mr. Howell and Ms. Gray (U.S.$1.00 = C$1.2822); and October 27, 2021 in the case of Ms. dePass Olsovsky (U.S.$1.00 = C$1.2359).

(2) The following directors elected to receive cash retainers in common shares or DSUs with respect to the amounts set forth beside their names: Shauneen Bruder (C$140,548), Denise Gray (C$78,214), Justin Howell (C$39,107), Margaret A. McKenzie (C$114,994), Jo-ann dePass Olsovsky (C$20,034), Laura Stein (C$127,771), Donald J. Carty (C$114,994) and Julie Godin (C$114,994).

(3) Represents a common share grant valued at U.S.$200,000.00 received by each non-executive director as part of the director retainer and U.S.$375,000.00 for the Board Chair as part of the Board Chair retainer. See Note 1 for currency conversion information.

(4) Includes the value of insurance premiums for 2021 for North American emergency protection outside Mr. Pace's province of residence. The annual cost to the Company for 2021 for such benefits was C$2,402.

(5) This percentage is calculated by dividing the aggregate of the cash retainers elected by non-executive directors to be received in common shares or DSUs described in notes (1) and (3) above and the value provided under the share-based awards column, by the value provided under the total compensation column.

(6) Ms. Gray and Mr. Howell joined the Board of Directors on April 27, 2021, and Ms. dePass Olsovsky joined the Board of Directors on October 27, 2021. As such, their respective compensation was prorated.

(7) Effective as of April 27, 2021, Ms. Bruder became Chair of the Governance, Sustainability and Safety Committee and came off as Chair of the Audit Committee, Mr. Phillips became Chair of the Audit, Finance and Risk Committee and came off as Chair of the Corporate Governance and Nominating Committee, and Ms. Stein became Chair of the Pension and Investment Committee and came off as Chair of the Environment, Safety and Security Committee.

(8) Mr. O'Connor, Mr. Pace and Mrs. Stein are not standing for re-election at the Meeting.

(9) Mr. Carty, Mr. Giffin, Ms. Holiday, Ms. Kempston Darkes and Mr. Losier retired from the Board of Directors on April 26, 2021 and Ms. Godin resigned from the Board of Directors on September 16, 2021.

Compensation Table in U.S. Dollars

The table below reflects in detail the compensation earned by the Company's non-executive directors in U.S. dollars in the 12-month period ended December 31, 2021.

Fees Earned (U.S.$)

NAME	DIRECTOR AND BOARD CHAIR CASH RETAINER	COMMITTEE CHAIR & COMMITTEE MEMBER CASH RETAINER	TOTAL CASH RETAINER	SHARE-BASED AWARDS	TOTAL
Current Directors					
Shauneen Bruder	35,000	75,000 (1)	110,000	200,000	310,000
Jo-ann dePass Olsovsky (2)	6,304	9,906	16,210	36,022	52,232
Denise Gray (2)	23,722	37,278	61,000	135,556	196,556
Justin M. Howell (2)	23,722	37,278	61,000	135,556	196,556
The Hon. Kevin G. Lynch	35,000	75,000	110,000	200,000	310,000
Margaret A. McKenzie	35,000	55,000	90,000	200,000	290,000
James E. O'Connor (4)	35,000	55,000	90,000	200,000	290,000
Robert Pace (4)	175,000	–	175,000	375,000	550,000 (3)
Robert L. Phillips	35,000	71,667 (1)	106,667	200,000	306,667
Laura Stein (4)	35,000	65,000 (1)	100,000	200,000	300,000
Retired Directors					
Donald J Carty (5)	35,000	55,000	90,000	200,000	290,000
Gordon Giffin (5)	11,667	21,667	33,334	200,000	233,334
Julie Godin (5)	35,000	55,000	90,000	200,000	290,000
Edith Holiday (5)	11,667	21,667	33,334	200,000	233,334
Maureen Kempston Darkes (5)	11,667	21,667	33,334	200,000	233,334
Denis Losier (5)	11,667	18,333	30,000	200,000	230,000
Total	**555,416**	**674,463**	**1,229,879**	**3,082,134**	**4,312,013**

(1) Effective as of April 27, 2021, Ms. Bruder became Chair of the Governance, Sustainability and Safety Committee and came off as Chair of the Audit Committee, Mr. Phillips became Chair of the Audit, Finance and Risk Committee and came off as Chair of the Corporate Governance and Nominating Committee, and Ms. Stein became Chair of the Pension and Investment Committee and came off as Chair of the Environment, Safety and Security Committee.

(2) Ms. Gray and Mr. Howell joined the Board of Directors on April 27, 2021, and Ms. dePass Olsovsky joined the Board of Directors on October 27, 2021. As such, their respective compensation was prorated.

(3) Excludes the value of insurance premiums for 2021 for North American emergency protection outside Mr. Pace's province of residence. The annual cost to the Company for 2021 for such benefits was C$2,402.

(4) Mr. O'Connor, Mr. Pace and Mrs. Stein are not standing for re-election at the Meeting.

(5) Mr. Carty, Mr. Giffin, Ms. Holiday, Ms. Kempston Darkes and Mr. Losier retired from the Board of Directors on April 26, 2021 and Ms. Godin resigned from the Board of Directors on September 16, 2021.

Share Ownership

The directors of the Company play a central role in enhancing shareholder value and each of them has a substantial investment in the Company. The Board revised the share ownership guidelines for non-executive directors in the fall of 2018. Effective January 1, 2019, each non-executive director must own, within five years of joining the Board, common shares, DSUs or similar share equivalents of CN, if any, ("CN Securities") with a value of the Canadian dollar equivalent of five times the aggregate of the annual director retainer (which includes cash and the value of any grant of CN Securities and in the case of the Board Chair, the aggregate of the annual Board Chair retainer in cash and the value of any grant of CN Securities) (the "Minimum Shareholding Requirement"). Each non-executive director is required to continue to hold such value throughout his or her tenure as a director and continue to hold 50% of the Minimum Shareholding Requirement for a period of two years after the director leaves the Board. In addition, the CN Securities held to comply with the Minimum Shareholding Requirement shall not be, during the director's tenure, the object of specific monetization procedures or other hedging procedures to reduce the exposure related to his or her holding.

Directors are required to own, within 5 years of joining the Board, CN shares worth **5 times** their annual retainer requirements.

Each non-executive director is required to receive at least 50% of his or her annual director, committee, Board Chair and committee Chair cash retainers in CN Securities and may elect to receive up to 100% of such retainers in CN Securities until his or her Minimum Shareholding Requirement is met. Once the Minimum Shareholding Requirement is met, directors may continue to elect to receive up to 100% of such retainers in CN Securities.

Directors' ownership requirement for **two years** beyond board tenure aligns with longer-term stewardship.

Approximately 85% of the total annual compensation of the non-executive directors for 2021 was in the form of CN Securities. The average value of CN Securities owned by the current non-executive directors is approximately C$9 million (based on the April 1, 2022 closing price of the common shares of the Company on the TSX (C$159.94), or the NYSE (U.S.$127.81) for U.S. directors).

Share Ownership Table

The following table provides information on the number and the value of common shares and DSUs owned by each nominee for election to the Board and by the Company's current directors as at April 1, 2022, and the Minimum Shareholding Requirement status.

Values Expressed in Canadian $

NAME OF DIRECTOR	PERIOD (1)	NUMBER OF COMMON SHARES OWNED, CONTROLLED OR DIRECTED	TOTAL VALUE OF COMMON SHARES (VALUE AT RISK) (2)	NUMBER OF DSUs HELD (3)	TOTAL VALUE OF DSUS (VALUE AT RISK) (2)	TOTAL NUMBER OF COMMON SHARES OWNED, CONTROLLED OR DIRECTED AND DSUs (3)	TOTAL VALUE OF COMMON SHARES AND DSUS (VALUE AT RISK) (2)	GUIDELINE MET/ INVESTMENT REQUIRED TO MEET GUIDELINE	VALUE AT RISK AS MULTIPLE OF SHAREHOLDING REQUIREMENT
Shauneen Bruder	2022	–		19,410		19,410			
	2021	–	–	16,412	3,104,435	16,412	3,104,435	Met	2
	Variation	–		2,998		2,998			
Jo-ann dePass Olsovsky	2022	–		2,841		2,841			
	2021	–	–	392	454,684	392	454,684	1,016,651	–
	Variation	–		2,449		2,449			
David Freeman (New Director Nominee)	2022	–	–	–	–	–	–	–	–
Denise Gray	2022	–		4,183		4,183			
	2021	–	–	–	669,463	–	669,463	801,872	–
	Variation	–		4,183		4,183			
Justin M. Howell	2022	–		3,533		3,533			
	2021	–	–	–	565,434	–	565,434	905,901	–
	Variation	–		3,533		3,533			
Susan C. Jones (New Director Nominee)	2022	–	–	–	–	–	–	–	–
Robert Knight (New Director Nominee)	2022	–	–	–	–	–	–	–	–
The Hon. Kevin G. Lynch	2022	–		33,814		33,814			
	2021	–	–	30,546	5,408,211	30,546	5,408,211	Met	4
	Variation	–		3,268		3,268			
Margaret A. McKenzie	2022	5,675		6,059		11,734			
	2021	1,675	907,660	3,542	969,076	5,217	1,876,736	Met	1.5
	Variation	4,000		2,517		6,517			
James E. O'Connor	2022	37,977		–		37,977			
	2021	37,398	6,077,979	–	–	37,398	6,077,979	Met	4
	Variation	579		–		579			
Robert Pace	2022	260,688		139,593		400,281			
	2021	209,127	41,694,439	136,647	22,326,504	345,774	64,020,943	Met	18.5
	Variation	51,561		2,946		54,507			
Robert L. Phillips	2022	11,315		26,214		37,529			
	2021	9,800	1,809,721	24,012	4,192,667	33,812	6,002,388	Met	4
	Variation	1,515		2,202		3,717			
Tracy Robinson (4)	2022	23		–		23			
	2021	–	3,679	–	–	–	3,679	Note 4	Note 4
	Variation	23		–		23			
Laura Stein	2022	–		34,910		34,910			
	2021	–	–	31,697	5,587,125	31,697	5,587,125	Met	4
	Variation	–		3,213		3,213			

(1) The number of common shares and DSUs held by each director is set out as at April 1, 2022 and for 2021, is set out as at February 26, 2021, except for Ms. dePass Olsovsky which is set out as at October 27, 2021. Ms. Robinson joined the Board effective February 28, 2022 and held no CN Securities prior to joining the Board.

(2) The total value of common shares is based on the April 1, 2022 closing price of the common shares on the TSX (C$159.94) or, for Ms. dePass Olsovsky, Mr. Freeman, Ms. Gray, Mr. Howell, Mr. Knight, Mr. O'Connor and Ms. Stein, the NYSE (U.S.$127.81) converted into Canadian dollars using the closing exchange rate (U.S.$1.00 = C$1.2522) on the same date.

(3) Includes DSUs elected as part of directors' 2022 compensation for non-executive directors.

(4) For a discussion on Tracy Robinson's shareholding requirements, please see the section on "Stock Ownership" on page 60 of this Information Circular. Ms. Robinson is also enrolled in the ESIP. See "Employee Share Investment Plan" on page 60 of this Information Circular.

Directors' Deferred Share Unit Plan

Subject to the Minimum Shareholding Requirement, non-executive directors may elect to receive all or part of their director, committee member, Board Chair, and committee Chair cash retainers either in cash, common shares of the Company purchased on the open market or DSUs. They may also elect to receive their common share grant retainer in DSUs. Each DSU entitles the beneficiary thereof to receive upon resignation, retirement or death, one common share of the Company purchased on the open market, plus additional DSUs reflecting dividend equivalents.

Each non-executive director has an account where notional DSUs are credited and held until the director leaves the Board. The number of DSUs credited to each non-executive director's account is calculated by dividing the amount elected to be received in DSUs by the common share price on the day the credit is made.

Participants in the DSU Plan are credited additional notional DSUs that are equivalent to the dividends declared on the Company's common shares. The number of DSUs is calculated using the methodology described above, using the total notional dividend amount and the share price on the dividend payment date. Such additional DSUs are credited to each non-executive director's account on each dividend payment date.

When a non-executive director leaves the Board, the Company is required to deliver to such director a number of common shares purchased on the open market equivalent to the number of DSUs held by the non-executive director in the DSU Plan, taking into account the appropriate tax withholdings. All administration costs as well as any brokerage fees associated with the purchase and delivery of common shares are supported by CN.

Statement of Corporate Governance Practices

We are committed to adhering to the highest standards of corporate governance, and our corporate governance practices are designed in a manner consistent with this objective. The role, specific mandate and functioning rules of the Board of Directors and of each of its committees are set forth in our Corporate Governance Manual, which is revised regularly with a view to continually improving our practices by assessing their effectiveness and comparing them with evolving best practices, changing circumstances and our needs. In 2021 and early 2022, the Board reviewed its governance practices and updated CN's Corporate Governance Manual with a view of continuing its best-in-class practices with respect to board size, gender equity and diversity, and director tenure. This manual also forms part of the documentation given to all persons elected or appointed to the Board of Directors. A copy is available on our website at **www.cn.ca**, under Delivering Responsibly/Governance.

CN's Corporate Governance Manual is revised regularly with a view to **continually improving** our practices by assessing their effectiveness and comparing them with evolving best practices, changing circumstances and our needs.

As a Canadian reporting issuer with securities listed on the TSX and on the NYSE, our corporate governance practices comply with applicable rules adopted by the CSA, applicable provisions of the U.S. Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act") and related rules of the SEC. As a "foreign private issuer" under the SEC's rules, we are exempted from complying with many of the NYSE corporate governance rules, provided that we comply with Canadian governance requirements. Except as summarized on our website at **www.cn.ca**, under Delivering Responsibly/Governance, our governance practices comply with the NYSE corporate governance rules in all significant respects.

The CSA adopted, in June 2005, National Instrument 58-101 — Disclosure of Corporate Governance Practices (as amended from time to time, the "Disclosure Instrument") and National Policy 58-201 — Corporate Governance Guidelines (as amended from time to time, the "Governance Policy"). The Governance Policy provides guidance on governance practices to Canadian issuers, while the Disclosure Instrument requires issuers to make the prescribed disclosure regarding their own governance practices. The Company believes that its corporate governance practices meet and exceed the requirements of the Disclosure Instrument and the Governance Policy. The text set forth hereunder refers to the items of the Disclosure Instrument as well as to the guidelines of the Governance Policy, where applicable. The Company also refers, where appropriate, to the NYSE Corporate Governance Standards (the "NYSE Standards").

The Board of Directors is of the opinion that the Company's corporate governance practices are well designed to assist the Company to reflect best-in-class environmental, social and governance practices, and the enhancement of shareholder value. The mandate of the Board is set out in Schedule "A" to this Information Circular. The Board of Directors has approved the disclosure of the Company's governance practices described below, on the recommendation of the Governance, Sustainability and Safety Committee.

CN's Environmental, Social and Corporate Governance (ESG) Initiatives

Since CN became a publicly traded company in 1995, our Board has adopted good governance practices that have been widely recognized as meeting the highest standards and supporting shareholder value creation. With the ever-growing complexity of global issues, the role of companies is increasingly being viewed by both investors and other stakeholders as being more expansive. The Board and CN's executive team recognize that ESG responsibility is a key priority for our stakeholders. Accordingly, the Board has put in place measures to ensure that the Company is well positioned to meet these complex challenges. Succinctly stated, CN believes that how we succeed is just as important as what we achieve.

Our ESG measures include the CN Indigenous Advisory Council, an independent body comprised of Indigenous people from across Canada. CN operates within or adjacent to nearly 200 reserve lands of more than 110 First Nations and Metis territories in eight provinces. The CN Indigenous Advisory Council's mandate is to provide advice to the Board and to CN's President and Chief Executive Officer on issues that either the Company or the Council believes are relevant to CN. Among the goals of the council is to reinforce diversity and inclusion through policies and procedures that reflect these principles, as well as fostering meaningful and long-lasting relationships between the Company and Indigenous peoples.

Another key element of CN's ESG commitment is an annual advisory vote on the Company's Climate Action Plan. This vote complements CN's long-standing and robust climate change plans and disclosures, its public reporting of its GHG emissions, its strategy to reduce emissions, as well its year-over-year progress.

CN also recognizes that the diversity of the Board of Directors and senior management of the Company to reflect its communities and customers is an essential element in sustaining CN's success and maintaining the confidence of our stakeholders. In January 2022, we announced the appointment of Tracy Robinson as CN's first female President and Chief Executive Officer. Further, in 2021, the Board set a target of having at least 50% of the independent directors come from diverse groups, including achieving gender parity, by the end of 2022. As of the date hereof, six of the 11 directors (55%) are women. With the director nominees being presented at the Meeting, six (55%) of which are women, this new target will continue to be met well before the end of 2022.

In 2021, we further reset our Board governance policies to align with evolving best practices in Canada and in the U.S. Among other changes, the directors' tenure limit has been confirmed at 14 years, removing the previous grandfathering provision. As a result, the 14-year limit now applies to all directors irrespective of their initial election or appointment date. The retirement age of directors has been reduced from 75 to 72 years, subject to possible extensions by the Board in specific circumstances deemed in the best interest of CN. As previously announced, Mr. Robert Pace is not standing for re-election at the Meeting and is standing down as Board Chair. Mr. James O'Connor will also retire from the Board after the Meeting due to our revised policy on retirement age.

The Board has also revised its overboarding policy, setting at three the maximum number of public boards, including CN's, on which directors other than full-time chief executive officers or senior officers may serve. The rule is subject to a one-year transition period where necessary. Of the director nominees being presented for election at the Meeting, only Ms. Jones is currently a member of more than two public boards, other than CN's Board. She has committed to reducing her number of directorships within the next year if elected to the Board, in alignment with CN's overboarding guidelines and within CN's prescribed transitioning period, as authorized by the Board. The size of the Board has also been reduced to 10 independent directors, plus the President and Chief Executive Officer.

CN believes in the importance of consistent engagement and meaningful dialogue with all stakeholders, including shareholders, and the aforementioned initiatives were all informed by such interactions.

The Board is confident that its enhanced governance rules help position CN as a leader in corporate governance and diversity with best-in-class practices, while maintaining the high level of expertise, institutional knowledge and strong board dynamics that have served the Company so well over the last 25 years.

Code of Business Conduct

Our Code of Business Conduct is applicable to all directors, officers and employees of CN. We expect everyone working on our Company's behalf, including consultants, agents, suppliers and business partners, to obey the law and adhere to high ethical standards. The Code of Business Conduct addresses many important matters, including conflicts of interest, protection and proper use of corporate assets and opportunities, confidentiality of corporate information, fair dealing, compliance with laws and reporting of any illegal or unethical behaviour. The Governance, Sustainability and Safety Committee and the Board of Directors review and update the Code of Business Conduct regularly to ensure that it is consistent with current industry trends and standards; clearly communicates CN' s organizational mission, values, and principles; and, most importantly, serves as a reference guide for employees to support everyday decision making. Although waivers to the Code of Business Conduct may be granted in exceptional circumstances, no waiver has ever been granted to a director or executive officer in connection therewith.

CN's Code of Business Conduct clearly communicates CN's organizational mission, **values, and principles**; and, most importantly, serves as a reference guide for employees to support everyday decision making.

The Governance, Sustainability and Safety Committee reviews, monitors and oversees the disclosure relating to the Company's Code of Business Conduct. Each year, management reports to such committee on the implementation of the Code of Business Conduct within the Company and on any significant contravention of the Code of Business Conduct by employees of the Company. The Office of the Ombudsman offers a confidential, neutral and informal avenue which facilitates fair and equitable resolutions to concerns arising within the Company. Yearly, the CN Ombudsman presents a report that summarizes all cases logged and handled by the Office of the Ombudsman to the Governance, Sustainability and Safety Committee. The Company believes that ethical business conduct is an important part of its success. Hence, the mandate of the Board, attached as Schedule "A" to this Information Circular, states that the Board has the responsibility for overseeing management in the competent and ethical operation of the Company.

The Board of Directors and management are committed to maintaining and instilling a strong ethical culture at CN, and as such, have developed a solid ethics program based on CN's core values of integrity and respect. The Code of Business Conduct is regularly reviewed to ensure it reflects those core values and remains consistent with industry trends and standards. Each director, executive officer and management employee must certify annually his or her compliance with the Code of Business Conduct, and employees are required to complete an online training course on the Code of Business Conduct. An integrity training is also part of every new employee's onboarding program on our core values of integrity and respect, and the importance of protecting CN's reputation, understanding what Doing the Right Thing means, and how to identify and avoid potential conflict of interest situations.

As part of such ethics program, employees are required to avoid outside interests that may impair or appear to impair the effective performance of their responsibilities to the Company, and be fair and impartial in all dealings with customers, suppliers and partners. Employees must report to their manager any real or potential conflict of interest, and as required, provide written disclosure of such conflict.

Similarly, the Board requests that every director disclose any direct or indirect interest he or she has in any organization, business or association, which could place the director in a conflict of interest. Every year, a questionnaire is sent to each director to ensure that the director is in no such conflict that has not been disclosed. Should there be a discussion or decision relating to an organization, business or association in which a director has an interest, the Board will request that such director not participate or vote in any such discussion or decision.

The Board of Directors also adopted procedures allowing interested parties (i) to submit accounting and auditing complaints or concerns to CN; and (ii) to communicate directly with the Board Chair, who presides over all non-executive director sessions. These procedures are described on our website at **www.cn.ca**, under Delivering Responsibly/Governance. The Code of Business Conduct provides that concerns of employees regarding any potential or real wrongdoing in terms of accounting or auditing matters may be submitted confidentially through CN's Hotline.

The Code of Business Conduct is available on our website at **www.cn.ca**, under Delivering Responsibly/Governance and in print to any shareholder who requests a copy by contacting our Corporate Secretary. The Code of Business Conduct has also been filed with the Canadian and U.S. securities regulatory authorities.

Related-Party Transactions

Under CN's Code of Business Conduct, directors, officers and employees are required to report any related party transaction or conflict of interest.

For that purpose, CN defines a related party as:

- A director or officer of CN;
- An affiliate, including an immediate family member, of a director or officer; or
- A person who beneficially owns more than 10% of CN's common shares.

Any director or officer that has a material interest in a transaction or agreement involving CN must disclose the interest to the Chair of the Board or to the President and Chief Executive Officer, respectively, and does not participate in any discussions or votes on the matter. In accordance with our Corporate Governance Manual, any related-party transaction or any situation where a related party has a material interest in a transaction involving CN is submitted to the Governance, Sustainability and Safety Committee, or if deemed appropriate by the Chair of the Board, to the Board of Directors, for review and decision.

In 2021, there was no such transaction between CN and a related person as described in Item 404 of Regulation S-K.

Independence of Directors

To better align the interests of the Board of Directors with those of our shareholders, all of our nominees for election to the Board of Directors are independent, with the exception of our President and Chief Executive Officer. In determining whether a director is an independent director, the Board of Directors applies the standards developed by the CSA, the NYSE and the additional standards adopted by the Board. These standards are set out in CN's Corporate Governance Manual which is available on our website at www.cn.ca, under Delivering Responsibly/Governance.

10 of the **11** nominees for election to the Board of Directors **are independent**.

As shown in the table to the right, 10 of the 11 nominees for election to the Board of Directors are independent.

Independence Status of Board of Directors

INDEPENDENT	NON-INDEPENDENT (REASON FOR NON-INDEPENDENCE)
Shauneen Bruder	Tracy Robinson (President and CEO, CN)
Jo-ann dePass Olsovsky	
David Freeman	
Denise Gray	
Justin M. Howell	
Susan C. Jones	
Robert Knight	
The Hon. Kevin G. Lynch	
Margaret A. McKenzie	
Robert L. Philips	

Independent Chair of the Board

The Board has been led by a non-executive Chair since CN became public in 1995, and we believe that the separation of the positions of President and Chief Executive Officer and Chair of the Board contributes to allowing the Board to function independently of management. Our Corporate Governance Manual provides that the Board Chair must be an independent director who is designated by the Board. The Corporate Governance Manual describes the responsibilities of the Chair of the Board. The key role of the Chair of the Board is to take all reasonable measures to ensure that the Board (i) has structures and procedures in place to enable it to function independently of management; (ii) carries out its responsibilities effectively; and (iii) clearly understands and respects the boundaries between the responsibilities of the Board and those of management. Mr. Pace, who is the current independent Chair, became Chair of the Board on April 23, 2014.

In 2021, the former Corporate Governance and Nominating Committee and the Board approved the renewal of the Chair's mandate for one additional year, expiring at the Meeting, as it was determined that such renewal was in the best interest of CN to provide continuity to the Board and ensure the implementation of CN's new ESG initiatives. Mr. Pace is not seeking re-election as director at the Meeting and the new Chair will be appointed by the Board following the Meeting.

Position Descriptions

Our Corporate Governance Manual includes position descriptions for the Board Chair and the committee Chairs, as well as a position description for the President and Chief Executive Officer of the Company.

Committees of the Board

On April 27, 2021, the Board of Directors restructured and streamlined its committee structure to enhance the Board's focus on key ESG matters and ensure that the Board's breadth of experience and expertise is drawn upon as effectively as possible.

Accordingly, the Board's committees were reduced from eight to four, as follows:

- the Audit Committee and the Finance Committee were merged into the Audit, Finance and Risk Committee;
- the Corporate Governance and Nominating Committee and the Environment, Safety and Security Committee were merged into the Governance, Sustainability and Safety Committee;
- the Human Resources and Compensation Committee and the Pension and Investment Committee remained unchanged;
- the Strategic Planning Committee was disbanded, and the full Board assumed responsibility for the strategic planning process and oversight of the Company's strategic and business plans and capital budget; and
- the Donations and Sponsorships Committee was disbanded and the Governance, Sustainability and Safety Committee oversees contributions approved by management.

The following is a brief summary of the mandate of each of the committees of the Board of Directors as of the date hereof.

Audit, Finance and Risk Committee

The Audit, Finance and Risk Committee is responsible for overseeing the Company's financial reporting; monitoring risk management, including risks related to ESG matters; monitoring internal controls over financial reporting and internal and external auditors; and overseeing the Company's financial policies and procedures, including policies and procedures related to disclosure of financial and other material information to investors, and the processes to ensure that such information is accurate, complete and consistent with other public disclosures made by CN. The Audit, Finance and Risk Committee is also responsible for reviewing and making recommendations to the Board regarding certain of CN's financial activities. As part of these responsibilities, the Audit, Finance and Risk Committee provides oversight with respect to CN's operating plans, capital expenditures programs and capital allocation plans (including with respect to CN's capital structure and cash flows) and CN's share repurchase program, and reviews the opportunities and parameters for debt or equity financing, among others. The committee also oversees CN's enterprise risk management program, monitoring management's assessment of major risk exposures and their potential impact on the Company's ability to achieve its business and financial objectives.

The mandate of the Audit, Finance and Risk Committee is further described in its charter, which is included in our Corporate Governance Manual and in CN's 2022 Annual Information Form, available on SEDAR at **www.sedar.com**, on the SEC website at **www.sec.gov** through EDGAR and on CN's website at www.cn.ca.

The charter of the Audit, Finance and Risk Committee provides that it must be composed solely of independent directors. As of the date of this Information Circular, each member of the Audit, Finance and Risk Committee is independent and is financially literate, as such term is defined under Canadian securities laws and regulations and the NYSE Standards.

No member of the Audit, Finance and Risk Committee receives, other than in his or her capacity as a director or member of a Board committee, directly or indirectly, any fee from the Company or any subsidiary of the Company, nor is an affiliated person of the Company, or any subsidiary of the Company.

Additional information relating to the Company's Audit, Finance and Risk Committee can be found in the Company's 2021 Annual Information Form, available on SEDAR at **www.sedar.com**, on the SEC website at **www.sec.gov** through EDGAR and on CN's website at www.cn.ca.

Governance, Sustainability and Safety Committee

The Governance, Sustainability and Safety Committee has the responsibility of monitoring the size and composition of the Board of Directors and its committees and overseeing corporate governance matters. As part of its responsibilities, the Governance, Sustainability and Safety Committee develops, reviews and monitors criteria for selecting directors, including by regularly assessing required or desired competencies and skills to improve the Board of Directors and, in consultation with the Board Chair, identifies candidates qualified to become Board members.

The Governance, Sustainability and Safety Committee also oversees the development and implementation of CN's ESG policies and practices, including its short- and long-term sustainability objectives and the charitable contributions and sponsorships approved by management. The committee is responsible for overseeing the development and implementation of environmental, safety and security policies, assessing environmental, safety and security practices, and reviewing the Company's business plan to ascertain whether environmental, safety and security issues are adequately taken into consideration. The committee also advises the Board of Directors on the adequacy of the Company's efforts to ensure that its business is conducted in a way that it meets the highest standards of ethics and social and environmental responsibility. In addition, the Governance, Sustainability and Safety Committee oversees the Company's Environmental, Sustainability, and Governance disclosures, including CN's Code of Business Conduct and Climate Action Plan, and monitors the Company's progress against its set targets under the Climate Action Plan.

This Committee reviews the corporate governance guidelines applicable to the Company (including diversity and inclusion), recommends any change that should be made thereto, and monitors the disclosure of its practices. The responsibilities, powers and operation of the Governance, Sustainability and Safety Committee are further described in its charter which is included in our Corporate Governance Manual.

The charter of the Governance, Sustainability and Safety Committee provides that it must be composed solely of independent directors. As of the date of this Information Circular, each member of the Governance, Sustainability and Safety Committee is independent.

Human Resources and Compensation Committee

The Human Resources and Compensation Committee has the responsibility of monitoring executive management's performance assessment, compensation and succession planning. The committee also has the mandate, among others, to review human resources practices by ensuring, amongst other things, that appropriate human resources practices and policies are in place so that the Company can attract, motivate and retain the quality of personnel required to meet its business objectives and to ensure consistency with its strategic direction. Priorities of the Human Resources and Compensation Committee include talent management, leadership development, succession planning, diversity, equity and inclusion (DE&I), and employee engagement. The committee annually reviews short-, medium- and long-term succession plans for the executive team, and develops and implements specific customized plans to address identified gaps. The mandate of the Human Resources and Compensation Committee is further described in the section entitled "Statement of Executive Compensation – Human Resources and Compensation Committee" on page 48 of this Information Circular and in its charter, which is included in our Corporate Governance Manual. The charter of the Committee provides that it must be composed solely of independent directors. As of the date of this Information Circular, each member of the Human Resources and Compensation Committee is independent.

The Board has adopted a policy, which is included in our Corporate Governance Manual, providing that no more than one in three members of the Committee shall be a sitting CEO of another company, at least one member shall be experienced in executive compensation, and the President and Chief Executive Officer of the Company shall be excluded from the committee member selection process. As of the date of this Information Circular, the composition of the committee was in compliance with the conditions of the policy.

Reference is made to the subsection entitled "Statement of Executive Compensation – Human Resources and Compensation Committee – Independent Advice" on page 49 of this Information Circular for disclosure in respect of the executive compensation consultant.

Pension and Investment Committee

The Pension and Investment Committee, which is a mixed committee composed of directors and officers, has the responsibility to review pension-related matters broadly, including reviewing the activities of the CN Investment Division ("CNID"), reviewing and approving the CNID Incentive Plan and award payouts thereunder, advising CNID on investment of assets of CN's Pension Trust Funds, approving certain of the investments made by CN's Pension Trust Funds, and being informed of all matters related to pension liabilities or that are otherwise relevant in developing CN's pension risk management strategy and pension plan design.

The responsibilities, powers and operation of the Pension and Investment Committee are further described in its charter, which is included in our Corporate Governance Manual.

Risk Management Oversight

At CN, the Board is entrusted with the responsibility to oversee that management identifies and evaluates the significant business risks that the Company is exposed to and implements processes and programs to manage these risks. A significant risk is generally defined as an exposure that has the potential to materially impact CN's ability to meet or support its business objectives.

The Board achieves this risk oversight through strategic overviews of significant risks and issues, and business updates with the President and Chief Executive Officer, and executives.

The overviews may cover among others, risks related to:

- general economic conditions;
- environment, including climate change;
- human capital;
- foreign currency;
- capital investments;
- information technology and cybersecurity;
- ongoing operations, such as labour disputes and blockades; and
- developments in regulations, such as tax legislation and safety and environmental regulations.

Company officers provide to the Board or one of its committees regular presentations and updates on the execution of business strategies, business opportunities, risk and safety management, ethical conduct, and detailed reports on specific risk issues.

The risk oversight responsibility is shared between the Board and its committees. The Board delegates responsibility for oversight of certain risk elements to the various committees in order to ensure appropriate expertise, attention and diligence. As such, the risk assessment process is mainly led by the Audit, Finance and Risk Committee, with regular reporting and oversight by the Board. The Board may use external resources when appropriate to assess enterprise risk and management processes. Risk information is reviewed by the Board and/or committees of the Board throughout the year.

The Audit, Finance and Risk Committee is responsible for ensuring that appropriate risk management processes are in place across the organization. It considers the effectiveness of the operation of CN's internal control procedures and reviews reports from CN's internal and external auditors. As part of its risk oversight activities, the Audit, Finance and Risk Committee ensures that significant risks identified are referred to a Board committee or the Board, as appropriate. Specifically, the Audit, Finance and Risk Committee reviews the Company's risk assessment, including risk oversight and risk management policies under the Enterprise Risk Management ("ERM"). Management undertakes an enterprise-wide process to identify, classify, assess and report on CN's significant risks and mitigation strategies.

ERM provides a risk management approach to identify, assess, monitor, and mitigate key business risks. Management provides to the Audit, Finance and Risk Committee an annual ERM update. Risks are rated based on an assessment of residual risk, after considering mitigating processes and controls in place. Each risk is assigned to members of senior management who develop and implement controls to mitigate the risks. In addition, the Audit, Finance and Risk Committee requests that an independent review of the mitigating controls be performed on the identified risks on a rotational basis.

For a detailed explanation of the material risks applicable to CN and its affiliates, see the section entitled "Business risks" in CN's Management's Discussion and Analysis included in CN's 2021 Annual Report, filed on February 1, 2022 and available on SEDAR at **www.sedar.com**, on the SEC website at **www.sec.gov** through EDGAR and on CN's website at **www.cn.ca**.

Board and Committee Meetings

Process

The Board Chair, in collaboration with the Corporate Secretary, has the responsibility of establishing a schedule for the meetings of the Board of Directors and its committees. During this process, the Corporate Secretary, in collaboration with the Board and committee Chairs and the appropriate executive officers, establishes Board and committee working plans for the year. We believe that proceeding in this manner helps in the preparation of in-depth presentations conducive to meaningful information sessions and discussions while allowing management to plan ahead. If, during the course of the year, events or circumstances require Board or committee action or consideration, additional meetings are called. The total number of meetings and the attendance record for each director for all Board and committee meetings held during the course of 2021 are set out in the section entitled "Statement of Corporate Governance Practices — Board and Committee Attendance" of this Information Circular.

Independent members of the Board hold ***in camera*** meetings at or after every regular meeting of the Board.

Communication regularly takes place between the Board Chair and the Company's executives and, through the Office of the Corporate Secretary, between executive officers having responsibilities for matters placed under the supervision of particular committees and the Chairs of such committees. This open communication ensures that all meaningful information concerning the affairs and progress of the Company are transmitted to those members of the Board of Directors or committees having special supervisory responsibilities.

In Camera Meetings

The independent directors meet at or after every regular meeting of the Board of Directors during in camera sessions, without the presence of management and under the chairmanship of the Board Chair, including all meetings regularly scheduled in 2021.

Board and Committee Attendance

The following table shows the record of attendance for each current director at meetings of the Board and the Board committees of which they were members as of December 31, 2021, as well as the number of Board and Board committee meetings held during the 12-month period that ended on December 31, 2021.

	NUMBER AND% OF MEETINGS ATTENDED												
	COMMITTEES												
	PRIOR TO APRIL 27, 2021 [1]						FOLLOWING APRIL 27, 2021 [1]		FULL-YEAR 2021				
NAME OF DIRECTOR	AUDIT COMMITTEE	CORPORATE GOVERNANCE AND NOMINATING COMMITTEE	DONATIONS AND SPONSORSHIPS COMMITTEE	ENVIRONMENT, SAFETY AND SECURITY COMMITTEE	FINANCE COMMITTEE	STRATEGIC PLANNING COMMITTEE	AUDIT, FINANCE AND RISK COMMITTEE	GOVERNANCE, SUSTAINABILITY AND SAFETY COMMITTEE	HUMAN RESOURCES AND COMPENSATION COMMITTEE	PENSION AND INVESTMENT COMMITTEE	COMMITTEE (TOTAL)	BOARD	OVERALL ATTENDANCE/ MEETINGS HELD
Shauneen Bruder [2]	3/3 100% (Chair)	–	1/1 100%	2/2 100%	–	–	5/5 100%	4/4 100% (Chair)	6/6 100%	–	21/21 100%	41/41 100%	62/62 100%
Jo-ann dePass Olsovsky [3]	–	–	–	–	–	–	–	–	–	–	–	3/3 100%	3/3 100%
Denise Gray [3]	–	–	–	–	–	–	5/5 100%	4/4 100%	3/4 75%	–	12/13 92%	22/27 81%	34/40 85%
Justin M. Howell [3]	–	–	–	–	–	–	–	4/4 100%	4/4 100%	3/3 100%	11/11 100%	26/27 96%	37/38 97%
The Hon. Kevin G. Lynch	3/3 100%	3/3 100%	–	–	–	2/2 100%	5/5 100%	4/4 100%	6/6 100% (Chair)	2/2 [4] 100%	25/25 100%	40/41 98%	65/66 98%
Margaret A. McKenzie	–	3/3 [5] 100%	–	2/2 [5] 100%	2/2 100%	2/2 100%	5/5 100%	–	2/2 [6] 100%	3/3 100%	19/19 100%	41/41 100%	60/60 100%
James E. O'Connor	3/3 100%	3/3 [5] 100%	–	2/2 [5] 100%	2/2 100%	–	5/5 100%	–	–	3/3 100%	18/18 100%	40/41 98%	58/59 98%
Robert Pace	–	3/3 100%	1/1 100% (Chair)	2/2 100%	–	2/2 100%	–	4/4 100%	4/4 100%	–	16/16 100%	41/41 100% (Chair)	57/57 100%
Robert L. Phillips [2]	–	3/3 [5] 100% (Chair)	–	2/2 [5] 100%	2/2 100%	–	5/5 100% (Chair)	–	6/6 100%	–	18/18 100%	40/41 98%	58/59 98%
Laura Stein [2]	3/3 [7] 100%	–	–	2/2 100% (Chair)	2/2 100%	–	–	4/4 100%	2/2 [8] 100%	3/3 100% (Chair)	16/16 100%	41/41 100%	57/57 100%
Number of meetings held	3	3	1	2	2	2	5	4	6	3	31	41	72

(1) Effective as of April 27, 2021, the Board committees were amended as follows: the Audit Committee was merged with the Finance Committee to form the Audit, Finance and Risk Committee; the Corporate Governance and Nominating Committee was merged with the Environment, Safety and Security Committee to form the Governance, Sustainability and Safety Committee; and the Donations and Sponsorships Committee and Strategic Planning Committee were disbanded. Until April 26, 2021, the members of the Donations and Sponsorships Committee were Mr. Pace (Chair), Ms. Bruder, Mr. Giffin, Ms. Holiday, Mr. Losier and Mr. Ruest, and the members of the Strategic Planning Committee were Ms. Kempston Darkes (Chair), Mr. Carty, Ms. Godin, Mr. Losier, Dr. Lynch, Ms. McKenzie and Mr. Pace.

(2) Effective as of April 27, 2021, Ms. Bruder became Chair of the Governance, Sustainability and Safety Committee and came off as Chair of the Audit Committee, Mr. Phillips became Chair of the Audit, Finance and Risk Committee and came off as Chair of the Corporate Governance and Nominating Committee, and Ms. Stein became Chair of the Pension and Investment Committee and came off as Chair of the Environment, Safety and Security Committee

(3) Ms. Gray and Mr. Howell joined the Board of Directors on April 27, 2021, and Ms. dePass Olsovsky joined the Board of Directors on October 27, 2021.

(4) Effective as of April 27, 2021, Dr. Lynch came off the Pension and Investment Committee.

(5) Effective as of April 27, 2021, Ms. McKenzie, Mr. O'Connor and Mr. Phillips came off the Corporate Governance and Nominating Committee and the Environment, Safety and Security Committee.

(6) Effective as of April 27, 2021, Ms. McKenzie came off the Human Resources and Compensation Committee.

(7) Effective as of April 27, 2021, Ms. Stein came off the Audit Committee and the Finance Committee.

(8) Effective as of April 27, 2021, Ms. Stein came off the Human Resources and Compensation Committee.

Director Selection

Review of Credentials

In consultation with the Board Chair, the Governance, Sustainability and Safety Committee annually reviews the criteria for the selection of nominees to be recommended to the Board and the credentials of nominees for election or re-election as members of the Board of Directors. It considers their qualifications, the validity of the credentials underlying each nomination, and, for nominees who are already directors of the Company, an evaluation of their effectiveness and performance as members of the Board of Directors, including their attendance at Board and committee meetings. Board and Board committee members are expected to attend all meetings. As stated in our Corporate Governance Manual, any director who has attended less than 75% of meetings of the Board or meetings of committees on which they sit, for more than two consecutive years, without a valid reason for the absences, will not be renominated.

Competency Matrix

The Governance, Sustainability and Safety Committee, together with the Board Chair, is responsible for determining the needs of the Board in the long term and identifying new candidates to stand as nominees for election or appointment as directors. Over the last few years, the former Corporate Governance and Nominating Committee and the Board Chair focused on board renewal and succession in light of upcoming director retirements, as well as on expanding and completing the Board's overall expertise in certain areas and diversity metrics, with a view to ensuring that the Board continues to benefit from a broad range of perspectives and relevant experience. The Board Chair and the Governance, Sustainability and Safety Committee continue to engage in an ongoing, in-depth succession planning process. Board renewal and succession has been an item at most meetings of the Governance, Sustainability and Safety Committee.

CN's competency matrix is based on areas of knowledge, expertise, diversity, age, gender and geography, and identifies any gaps to be addressed in the nomination process.

In proposing the list of Board nominees, including Jo-ann dePass Olsovsky, Robert Knight, David Freeman and Susan C. Jones, who will stand for election at the Meeting, the Board of Directors is guided by the process described in our Corporate Governance Manual. As part of the process, the Board Chair, in consultation with the Governance, Sustainability and Safety Committee, develops a competency matrix based on knowledge areas, types of expertise, gender, age and geographical representation. The Board ensures that the skillset developed by directors through their business expertise and experience meets the needs of the Board. The Governance, Sustainability and Safety Committee regularly reviews its competency matrix to assess the Board's overall strength and diversity of skills and experience, including when considering the recruitment of new director candidates. The Governance, Sustainability and Safety Committee and the Board have approved the competency matrix set forth on the following page.

The Governance, Sustainability and Safety Committee, together with the Board Chair, regularly monitors the current and future profile of the Board and, in doing so, also gives careful consideration to factors such as age, diversity (including gender and other diverse groups), geographical location, competencies and experience of current directors, the suitability and performance of directors proposed for election, as well as their independence, qualifications, financial acumen, business judgment and board dynamics.

In order to assist the Governance, Sustainability and Safety Committee and the Board Chair in recommending candidates to become directors of CN, the Governance, Sustainability and Safety Committee has constituted, together with the Board Chair, an evergreen list of potential Board candidates, which it updates from time to time.

Prior to nominating new directors for election or appointment, the Board Chair, the Governance, Sustainability and Safety Committee Chair and several other directors, as well as the President and Chief Executive Officer, meet with each candidate to discuss his or her interest and willingness to serve on CN's Board, potential conflicts of interest, and his or her ability to devote sufficient time and energy to the Board of Directors.

On January 25, 2022, CN announced that it had entered into a resolution agreement (the "Resolution Agreement") with TCI pursuant to which, among other things, TCI agreed to withdraw its requisition for a special meeting of shareholders, which was previously scheduled to be held on March 22, 2022. CN is proposing Robert Knight and David Freeman as nominees for election as directors at the Meeting. TCI has indicated to CN that it is supportive of these nominations. The Resolution Agreement provides that TCI will support the election of all CN director nominees at the 2022 and 2023 annual meetings of shareholders. Also on January 25, 2022, CN announced the appointment of Jean Charest as a member of the Board. Mr. Charest subsequently resigned from the Board effective April 1, 2022 as he declared his candidacy for the leadership of one of Canada's federal political parties. Jo-ann dePass Olsovsky, who was appointed to the Board on October 27, 2021 is also standing for election at the Meeting, and the Board, upon the recommendation of the Governance, Sustainability and Safety Committee, is also proposing Susan C. Jones as a new nominee for election at the Meeting. These four nominees were identified and recommended on the basis of their competencies, skills and experience sought by the Board.

Tracy Robinson, CN's President and Chief Executive Officer since February 28, 2022, is also standing for election at the Meeting.

The following table identifies the top four competencies of each nominee for election to the Board, together with their gender, age range and tenure at CN.

NAME OF DIRECTOR NOMINEE	COMPETENCIES: FINANCE/ACCOUNTING/ INVESTOR RELATIONS	CEO/EXECUTIVE LEADERSHIP EXPERIENCE	GOVERNMENT/REGULATORY/ PUBLIC POLICY/LEGAL	RISK MANAGEMENT AND SAFETY	TECHNOLOGY/INNOVATION/ ARTIFICIAL INTELLIGENCE/ CYBER SECURITY	TRANSPORT INDUSTRY/LOGISTICS/ SUPPLY CHAIN/GLOBAL TRADE	PEOPLE AND TALENT MANAGEMENT/ ORGANIZED LABOUR/ DIVERSITY AND INCLUSION	STRATEGIC PLANNING	CORPORATE GOVERNANCE/ PUBLIC COMPANY EXPERIENCE	CUSTOMER EXPERIENCE/ SALES/MARKETING	INTERNATIONAL/GLOBAL EXPERIENCE AND PERSPECTIVE	ESG	GENDER	AGE RANGE: 59 AND UNDER	60-65	66-72	BOARD TENURE: 0-5 YEARS	6-10 YEARS	11 + YEARS
Shauneen Bruder		√			√			√		√			F		√		√		
Jo-ann dePass Olsovsky		√			√	√				√			F	√			√		
David Freeman		√		√		√		√					M			√	√		
Denise Gray		√			√	√		√					F	√			√		
Justin M. Howell	√								√		√	√	M	√			√		
Susan C. Jones		√	√				√					√	F	√			√		
Robert Knight	√					√		√	√				M		√		√		
The Hon. Kevin G. Lynch	√		√				√	√					M			√		√	
Margaret A. McKenzie	√			√				√				√	F		√		√		
Robert L. Phillips		√				√		√	√				M			√		√	
Tracy Robinson	√	√				√		√					F	√			√		

Description of Competencies

Finance/Accounting/Investor Relations
Experience in corporate finance, overseeing complex financial transactions, investment management, mergers & acquisitions, investor relations; experience in financial accounting and reporting, auditing, and internal controls.

CEO/Executive Leadership Experience
Experience as a Chief Executive Officer or senior executive officer of a large publicly listed company.

Government/Regulatory/Public Policy/ Legal
Experience in, or a strong understanding of, the workings of government and public policy in Canada and the U.S. or experience as a senior practicing lawyer either in private practice or the legal department of a major publicly listed company.

Risk Management and Safety
Significant understanding with respect to the identification, assessment and mitigation of risks and oversight of risk management programs and practices. Knowledge and experience in health and safety programs and issues, particularly in the transportation industry.

Technology/Innovation/Artificial Intelligence/Cyber Security
Strong leadership and experience in deploying technology, innovation and digital platforms, including disruptive technologies, data management and cyber security. Expertise and/or experience in managing and mitigating cybersecurity risks.

Transport Industry/Logistics/Supply Chain/ Global Trade
Deep knowledge and experience in the transportation industry, including strategic context and business of the transportation industry. Experience in designing, developing or managing highly complex logistics and supply chains.

People and Talent Management/Organized Labour/Diversity and Inclusion
Experience in oversight of compensation programs for executive level employees and incentive-based compensation programs. Experience with talent recruitment and management, workplace culture, diversity and inclusion, succession planning, leadership development, executive recruitment, management of organized labour in a large operating company.

Strategic Planning
Experience in strategic planning and leading growth initiatives for a major publicly listed company.

Corporate Governance/Public Company Experience
Experience as an executive and/or board member of a publicly listed company that provides a strong understanding of requirements of good corporate governance practices.

Customer Experience/Sales/Marketing
Experience as a senior executive in a customer-centric product or service company; strong knowledge of CN's markets and related market trends, customers and strategy.

International/Global Experience and Perspective
Understanding, experience and expertise in international business, including international trade and overall global perspective.

Environmental/Social/Corporate Responsibility (ESG)
Experience in managing and overseeing de-carbonization, environmental, social, corporate responsibility and sustainability risks and opportunities and impact and performance and their relationship to the company's business and strategy. Experience in understanding and assessing complex regulatory requirements, stakeholder led initiatives and the company's overall ESG compliance obligations.

Diversity at CN

At CN, we believe our people are our single greatest asset, and we recognize the importance of creating a work environment that welcomes the contribution and uniqueness of every employee. We are committed to creating a workforce of top talent that reflects the diversity of the population and stakeholders we serve.

In an increasingly complex global marketplace, the ability to draw on a wide range of viewpoints, backgrounds, skills, and experience is critical to the Company's success. Put plainly, CN believes Diversity, Equity and Inclusion will deliver value to the Company and our employees. Diversity increases the effectiveness of our decision-making processes and fosters innovation by including a wider range of perspectives. Having a workforce that truly reflects the communities in which we operate also helps us attract and retain a mix of well-qualified people and helps us better understand and respond to the needs of our stakeholders.

Our Diversity and Inclusion Plan ("Diversity Plan"), which focuses on increasing the representation of women, visible minorities, indigenous people, persons with disabilities, and veterans, and on developing a more inclusive workplace, anchors CN's commitment to diversity. The plan applies at all levels within the organization and includes strategies on sourcing (including early career sourcing through internships, co-op programs and new graduate programs), selection, hiring, training and development of diverse candidates. The Company has also integrated diversity in its policies regarding composition of the Board and executive management.

The strategy of building a diverse and inclusive workforce is holistic; it necessarily involves an integrated approach on sensitizing, recognizing, and building awareness on diversity and inclusion in the workplace.

In 2021, we appointed a Director of Diversity, Equity and Inclusion, and set new gender diversity targets for our Board and executive management. We also created Employee Resource Groups ("ERGs") that bring together employees and their supporters of similar backgrounds and interests. These employee-led groups, backed by executive sponsors, have been initiated to create a more diverse and inclusive environment through marking key diversity milestones, acting as sounding boards, and providing places of discussion and exchange, allowing CN to garner the pulse of under-represented employee groups.

Board Diversity

The Board's Governance, Sustainability and Safety Committee, in consultation with the Board Chair, is responsible for recommending qualified persons to serve on the Board. CN believes that a diverse board has the potential for richer discussion and debate and greater effectiveness in decision-making and advisory functions.

On March 10, 2015, the CN Board approved a diversity policy for the Board ("Diversity Policy"). This policy was further revised on March 9, 2021 to broaden its scope and include more ambitious targets.

The revised Diversity Policy with respect to directors provides that, in considering the Board's composition and in making recommendations for Board members, the Governance, Sustainability and Safety Committee will consider:

(i) the size of the Board;

(ii) the particular competencies, skills and experience currently sought by the Board, including requirements to staff certain Board committees;

(iii) the competencies, skills and experience each of the current directors possesses; and

(iv) personal attributes and other qualities of each director, having regard to the benefits of all aspects of diversity on the Board.

Under the Diversity Policy and as part of its mandate, in order to ensure the effective implementation of the Diversity Policy, the Governance, Sustainability and Safety Committee:

- has created a search process that seeks qualified Board candidates from, among other areas, the traditional pool of corporate directors and officers, government, academic institutions, private enterprise, non-profit organizations, trade associations and professions such as accounting, human resources, and legal services;
- uses CN's network of organizations and trade groups that may help identify diverse candidates;
- has in the past and may again retain an executive search firm to help meet the Board's diversity objectives;
- periodically reviews its recruitment and selection processes to ensure that diversity remains a component of any director search; and
- endeavours to consider the level of representation of diverse groups on the Board in identifying and nominating candidates for election or re-election to the Board.

Executive Management Diversity

The Human Resources and Compensation Committee is responsible for considering candidates for executive management appointments that possess the qualifications, competencies, experience, leadership skills and level of commitment required to fulfill executive functions.

The Diversity Policy, which also applies to executive management, states that in fulfilling its oversight role, the Committee regularly reviews CN's integrated approach to executive and high-potential talent management and succession planning. The Committee also considers processes and practices for leadership development and reviews the depth of succession pools for senior leadership roles across the Company, and regularly reviews external talent, in order to ensure that CN has diverse candidate pools for potential successors for the executive roles.

Appointments are based on a balance of criteria, including skill, background, experience, and competence. Executive management appointments are also reviewed for appropriate diversity representation.

Supporting Diversity, Equity and Inclusion

CN is undertaking various initiatives aimed at better promoting and reinforcing diversity, equity and inclusion (DE&I). For example, we are:

- executing on our renewed DE&I vision and ambition to reflect the communities in which we operate;
- conducting regular reviews of pay equity and defining a roadmap to address identified gaps;
- further aligning our sponsorships and donations budget to better align with our strategic DE&I vision;
- assessing hiring practices to leverage diversity focused recruitment agencies and requiring diverse candidate slates for all recruitment mandates;
- developing inclusive leaders through targeted training and education, including unconscious bias and inclusive leadership training, as leaders are critical in creating and sustaining an inclusive environment;
- continuing to support and leverage the 7 ERGs that have been initiated to create a more diverse and inclusive environment; and
- having dedicated resources to support our DE&I vision. In 2021, we appointed a Director of Diversity, Equity and Inclusion, and set new gender diversity targets for our Board and executive management.

These initiatives are strongly supported through active involvement by the executive management and the Board.

Diversity Statistics and Targets

CN became a member of the Canadian Chapter of the 30% Club in 2017, committing to have a Board comprised of at least 30% women and maintaining or growing that number in the future. This target was achieved in 2017 and has been maintained since then. In early 2021, the Board set a new, more ambitious target that by the end of 2022, CN would achieve and thereafter maintain, a Board composition in which at least fifty percent (50%) of the independent Board members are to come from diverse groups, including gender parity. On the date hereof, of the 11 directors, six (55%) are women, namely: Shauneen Bruder, Jo-ann dePass Olsovsky, Denise Gray, Margaret A. McKenzie, Laura Stein, and Tracy Robinson; and two (18%) members identify as visible minorities.

CN has also elected to set a gender diversity target for executive management (comprising all vice-presidents and more senior positions), pursuant to which, by at the end of 2022, at least 30% of this group will be women. This aligns to the targets set out in the Catalyst Accord 2022, to which CN is a signatory. A comprehensive framework, focusing on the identification, assessment, and development of talent is used to ensure that we have an appropriate pipeline of potential diverse successors at the executive and management levels. At present, of the 30 members of executive management, seven (23%) are women. As our executive workforce is expected to undergo a renewal over the next few years due to natural attrition, we will continue to focus on increasing diversity through our succession planning strategies.

We currently have not adopted specific targets for diversity representation other than gender for executive management. However, we will continue to use the established labour market availability numbers in each province or state as our baseline ambition to measure progress. We define labour market availability as "the share of designated group members in the workforce from which the employers could hire".

The current diversity representation on the Board and among executive officers is set out in the tables below. The following disclosure is derived from information provided by the directors and executive officers. In accordance with privacy legislation, such information was collected on a voluntary basis, and where a particular individual chose not to respond, CN did not make any assumptions or otherwise assign data to that individual. The executive officers are a subset of the executive management team comprising 11 positions.

As at April 5, 2022

	CURRENT DIRECTORS	DIRECTOR NOMINEES	EXECUTIVE OFFICERS	EXECUTIVE MANAGEMENT
Women	6 (55%)	6 (55%)	3 (27%)	7 (23%)
Visible Minorities	2 (18%)	2 (18%)	–	2 (7%)
Indigenous	–	–	1 (9%)	1 (3%)
Persons with Disabilities	–	–	–	1 (3%)
Total	11	11	11	30

On an annual basis, the Governance, Sustainability and Safety Committee and the Human Resources and Compensation Committee assess the effectiveness of the nomination/appointment process in achieving CN's diversity objectives and measure the annual and cumulative progress in achieving its diversity targets.

The Diversity Policy is available on our website at **www.cn.ca**, under Delivering Responsibly/Governance.

Board Renewal and Other Practices

Retirement from the Board

Effective April 27, 2021, the Board updated its policy on the mandatory retirement age for directors whereby a director would not be nominated for re-election at the annual meeting of shareholders following his or her 72nd birthday, subject to the Board's ability to approve possible extensions in specific circumstances deemed in the best interest of CN. Pursuant to this updated policy, Mr. O'Connor and Mr. Pace announced their retirement and are not standing for re-election at the Meeting.

Board Tenure and Term Limits

Effective April 27, 2021, the tenure of the Board Chair, the committee Chairs and individual directors are subject to the following term limits:

- CN's Board Chair will serve for a term of five years, renewable for one further three-year term, subject to the discretion of the Board to further extend the term, if deemed appropriate and in the best interest of the Company and the Board. At the end of the term(s) as Board Chair, the departing Board Chair would not stand for election as a director of CN at the next following annual meeting of shareholders.
- Committee Chairs will serve for a term of three years, renewable for one further two-year term, subject to the discretion of the Board to further extend the term, if deemed appropriate and in the best interest of the Company and the Board.
- Any current or future member of the Board of Directors elected or appointed to the Board of Directors will serve for a maximum term of 14 years.

Effective as of April 27, 2021, members of the Board may serve for a **maximum term** of 14 years.

The election or appointment of the Board Chair or committee Chairs, respectively, is subject to annual review and election/appointment. In addition, directors are expected to inform the Board Chair of any major change in their principal occupation, in order to provide the Board with the opportunity to decide the appropriateness of such director's continuance as a member of the Board or of a Board committee.

Common Directorships

With a view to further strengthen directors' independence, the Board has adopted a policy pursuant to which a director shall not accept the invitation to join an outside board on which a director of CN already sits without previously obtaining the approval of the Governance, Sustainability and Safety Committee. In addition, the Board has adopted a policy, which is included in our Corporate Governance Manual, to the effect that no more than two of the Company's directors should generally serve on the same outside board or outside board committee.

As of April 5, 2022, no members of our Board of Directors served together on the boards of other public companies.

Number of Directorships

CN recognizes that Board membership requires a significant dedication of time. As a result, the number of boards on which an individual can serve is necessarily limited. With a view to taking reasonable steps to ensure the ability of each candidate to make the commitment of time necessary to be a director of CN, the Board applies the following guidelines, effective as of April 27, 2021, when considering candidates to become directors of CN:

- for candidates that are chief executive officers or other senior executives of public corporations, they must hold no more than two (2) public corporation directorships in total (including the Board and membership on the board of the corporation at which an individual is employed); and
- for other candidates, they must hold no more than three (3) public corporation directorships in total (including the Board).

In addition, because of the Audit, Finance and Risk Committee's demanding role and responsibilities, the Board Chair, together with the Governance, Sustainability and Safety Committee chair, reviews any invitations to the Audit, Finance and Risk Committee members to join the audit committee of another entity. Where a member of the Audit, Finance and Risk Committee simultaneously serves on the audit committee of more than three public companies, including CN, the Board determines whether such simultaneous service impairs the ability of such member to effectively serve on the Audit, Finance and Risk Committee.

The Board of Directors may, in its discretion, authorize a waiver to the above guidelines if deemed in the best interest of the Company and only for a transitioning period of up to one year to allow the affected candidate to reduce his/her board memberships in order to meet the Company's guidelines. Of the director nominees being presented for election at the Meeting, only Ms. Jones is currently a member of more than two public boards, other than CN's Board. She has committed to reducing her number of directorships within the next year if elected to the Board, in alignment with CN's overboarding guidelines and within CN's prescribed transitioning period, as authorized by the Board.

Directors are expected to provide the Board Chair with information as to all boards of directors that they sit on or that they have been asked to join so as to allow the Board to determine whether it is appropriate for such director to continue to serve as a member of the Board or of a Board committee. The Governance, Sustainability and Safety Committee and the Board Chair will apply Board nominee selection criteria, including directors' past contributions to the Board and availability to devote sufficient time to fulfill their responsibilities, prior to recommending directors for re-election for another term.

The biographies on pages 12 to 23 of this Information Circular identify the other reporting issuers of which each current director of CN is a director.

Director Emeritus

The Board of Directors confers, from time to time, the honorary status of Director Emeritus to retiring or former directors who have made significant contributions to the Board through long and distinguished service and accomplishments. Currently, lifetime emeritus status has been bestowed upon Raymond Cyr, James Gray, Michael Armellino, Charles Baillie, Edward Lumley, Donald Carty, Gordon Giffin, Edith Holiday, Maureen Kempston Darkes, Denis Losier, James E. O'Connor, Laura Stein and to David McLean and Robert Pace as Chairman Emeritus, as well as upon the late Hugh Bolton, the late Purdy Crawford and the late Cedric Ritchie.

Directors Emeritus are invited to attend the annual meeting of shareholders and certain Company or Board events taking place in their geographic area of residence and are reimbursed for reasonable travel and other out-of-pocket expenses in connection with attendance at such events.

Board Performance Assessment

Process

The Board of Directors has implemented, and reviews, from time to time, a comprehensive process to annually assess its effectiveness, as well as the effectiveness of its committees, the Board Chair, the committee Chairs and individual directors. This process is under the supervision of the Governance, Sustainability and Safety Committee and the Board Chair and is comprised of the following steps:

- The following questionnaires are prepared by the Office of the Corporate Secretary and approved by the Governance, Sustainability and Safety Committee and the Board Chair, taking into account current issues, the findings of previous years and input from the Board of Directors:
  - Board and committee performance evaluation questionnaires, including a self-assessment by individual directors;
  - Board Chair evaluation questionnaire; and
  - Committee Chair evaluation questionnaires.
- Each questionnaire is then sent to every director and a complete set of the responses is forwarded to the Board Chair, except for the responses to the evaluation questionnaire relating to the Board Chair, which is forwarded directly to each of the Chairs of the Governance, Sustainability and Safety Committee and the Human Resources and Compensation Committee.
- Following receipt of the completed questionnaires, the Board Chair contacts every director and conducts open and confidential one-on-one meetings. The purpose of these meetings is to discuss the answers received from and in respect of each director, to take into account any comments which the director may have and to review the self-evaluation of each director. One of the Governance, Sustainability and Safety Committee or Human Resources and Compensation Committee Chairs also discusses individually with each director his or her responses and comments on the Board Chair evaluation questionnaire.
- Reports are then made by the Board Chair, the Governance, Sustainability and Safety Committee Chair and the Human Resources and Compensation Committee Chair to the Board of Directors, with suggestions to improve the effectiveness of the Board of Directors, the Board committees, the Board and Committee chairs, and separately to individual directors in respect of their personal performance.
- The Board Chair and committee Chairs take into consideration the overall results and suggestions derived from the annual Board performance assessment in order to improve the functioning and activities of the Board and Board committees.
- At least annually, the Board and each Board committee reviews and assesses their respective mandates.

Peer Assessment and Independent Advisor

The Board Chair leads on an annual basis a peer review process through one-on-one meetings with each individual director. In addition, the Board may, from time to time, hire an independent advisor to assist the Board of Directors in independently assessing the performance of the Board of Directors, Board committees, Board and committee Chairs and individual directors. The Governance, Sustainability and Safety Committee also considers on an annual basis the appropriateness of conducting a peer assessment through an independent advisor.

The overall results and suggestions derived from the annual **Board performance** assessment are taken into consideration to improve the functioning and activities of the Board and its committees.

The Board performance assessment process is further described in CN's Corporate Governance Manual which is available on our website at **www.cn.ca**, under Delivering Responsibly/Governance.

Director Orientation and Continuing Education

Orientation

Our orientation program includes presentations by the Company's officers on CN's organizational structure and the nature and operation of its business, a review with the Board Chair of the methods of operation and the roles of the Board and its committees, a discussion on the contribution individual directors are expected to make, and access to appropriate information or outside resources as required. New directors are provided with the following: a directors' handbook containing corporate and other information required to familiarize themselves with the Company, its organization and operations and CN's key corporate governance and public disclosure documents, including CN's Corporate Governance Manual and Board and committee charters; information regarding the review process for the Board, its committees and their chairs, and individual directors; CN's important policies and procedures, including CN's Code of Business Conduct; and organizational charts and other business orientation materials, including CN's Investor Fact Book, sustainability and safety brochures, financial statements and regulatory information.

In addition, meetings are arranged between new directors and the Board and committee Chairs, as well as with members of CN's Leadership team to provide an overview of their areas of responsibility and their function/department. These areas include finance, corporate services, marketing, operations, technology, human resources and investor relations.

New directors also receive presentations by the Company's officers on CN's business and operations, safety, security, sustainability, community outreach initiatives and talent development, amongst others. New directors are also invited to attend the following Company events:

- Annual business plan meeting with top 200 employees;
- Annual sales meetings;
- Industry conferences or CN's analyst/investor meetings;
- Leadership training sessions and networking with participants; and
- Other company events on an ad hoc basis.

In addition, new directors are encouraged to visit sites across CN's network relating to the Company's operations. These sites include mechanical and car shops, intermodal and engineering groups, data centres, training centres, railway yards and ports and terminals.

Continuing Education

The Board recognizes the importance of ongoing director education and the need for each director to take personal responsibility for this process. To facilitate ongoing education, the Company:

- maintains a membership for each director in an organization dedicated to corporate governance and ongoing director education;
- encourages and funds the attendance of each director at seminars or conferences of interest and relevance;
- encourages presentations by outside experts to the Board or committees on matters of particular importance or emerging significance, such as ESG; and
- from time to time, as appropriate, the Board holds meetings at or near an operating site or other facility of the Company, a key customer, supplier or affiliated company.

The Board Chair arranges for Board members to have access to education and information on an ongoing basis pertaining to Board effectiveness and the best practices associated with successful boards, briefings on factors or emerging trends that may be relevant to the Company's business strategy and other material as deemed appropriate by the Board Chair. The Company also makes available, at its cost, a host of educational programs provided by leading institutions. We encourage directors to attend seminars and other educational programs and to report back to the Board on the quality of such programs. Educational reading materials on corporate governance and other topics are also included in the materials provided to the Board in advance of meetings.

In 2021, Board members were provided with educational reading materials and presentations on a variety of matters and topics, including safety matters, technology, sustainability and corporate governance matters. The Board regularly received updates and reports by CN's internal counsel on regulatory matters of importance and emerging issues of significance to CN and the railway industry, such as diversity, safety, technology and risk mitigation. Board members also attended industry conferences.

Directors also interacted with executive and senior management at every Board meeting and received regular and extensive presentations on matters of strategic importance to the Company's business, including presentations on its customer engagement initiatives, safety, stakeholder and community outreach initiatives, business growth strategy, operating plans, supply chain strategy, car management, CN's sustainability initiatives and Climate Action Plan, cybersecurity and regulatory matters relevant to the Company's business.

Moreover, the directors have, from time to time, been provided with firsthand opportunities to visit certain sites where CN has made significant investments. They have visited our Information Technology command centre, certain CN main yards such as Kirk Yard, the CN Woodcrest Shops and the Elgin, Joliet and Eastern Railway properties in the U.S. The Board has also visited CN's two state-of-the-art training centres in Winnipeg, Manitoba and near Chicago, Illinois, and toured a Geometry Test Car. Since March 2020, many in-person activities of the Board ceased given the pandemic. Prior to March 2020, the Board visited and/or participated in the following, among others:

- Two Harbours, Minnesota to tour CN's iron ore dock operations and the E.H. Gott vessel, for an in-depth review of the vessel and dock operations.
- As part of its stakeholder engagement initiatives, attended community events in Regina, Saskatchewan and Ottawa, Ontario.
- Visited the Port of Prince Rupert for a detailed tour of customer operations in Prince Rupert (DP World) and Ridley Island (Ray-Mont Logistics and Ridley Terminals).
- Attended meetings and events in Singapore, including a tour of the Port of Singapore, to provide our directors with the opportunity to see firsthand the scope of the thriving economic activities in South East Asia and gain an understanding of North America's trade potential with South East Asia.

The following table lists certain seminars and courses by external providers, as well as certain dedicated internal sessions and presentations on key CN subject matters, that the directors of the Company attended in 2021 and early 2022:

SUBJECT MATTER	TOPIC PRESENTED	PRESENTED/HOSTED BY	ATTENDED BY
Sustainability	Environmental Priority Issues and Targets Updates	CN Environment	GSS Committee Members
	Climate Action Plan	CN Sustainablity	GSS Committee Members
	Diversity, Equity & Inclusion	CN Corporate Services and HR	GSS Committee Members
Technology	Cybersecurity	CN Information Technology	AFR Committee Members
	Locomotive Modernization Updates	CN Operations	AFR Committee Members
	Innovation and Cloud Technology	CN Information Technology	All directors
	Innovation and Information Technology	CN Information Technology	All directors
	Information Technology Investments	CN Information Technology	Strategy Committee Members
	Strategic Technology Update	CN Information Technology	AFR Committee Members
Safety	Safety Performance Updates	CN Safety	GSS Committee Members
	Incident/Crisis Management	CN Corporate Services & Operations	GSS Committee Members
Customer Relations	Performance Update	CN Operations & Marketing	All directors
	Operational Excellence	CN Operations & Marketing	All directors

Stakeholder Engagement

CN is recognized as a company that delivers responsibly, is a key part of the solution for customers, and is essential to the economy, to its customers and the communities it serves. Over the year, we continued to deepen the Company's sustainability agenda: moving customer goods safely and efficiently, ensuring environmental stewardship, attracting and developing the best diverse team of railroaders, helping build safer and stronger communities, while adhering to the highest ethical standards. CN regularly engages with all of our stakeholders, including shareholders, employees, and Indigenous and community groups.

Shareholders Engagement

CN recognizes the importance of consistent engagement with shareholders and we welcome interaction with our shareholders as we believe it is important to have direct frequent engagement in order to allow and encourage an open dialogue and exchange of ideas. Our Investor Relations department is responsible for communicating with the investment community on behalf of CN and actively engages with shareholders, sell-side analysts, potential investors, and periodically with shareholder advocacy groups. Over the last 12 months, our Board Chair, our Vice-Chair as well as other members of the Board and our investment relations team engaged in dialogue with all of our top institutional shareholders, through the following initiatives:

- Earnings calls: engagement by CN executives on a quarterly basis with the investment community to review CN's quarterly financial and operating results and outlook;
- Non-deal roadshows: throughout the year, multiple engagements by CN executives and the Vice-President, Investor Relations with institutional investors to provide public information on our strategic agenda, business and operations and ESG performance;
- Sell-side-sponsored conferences: throughout the year, CN executives speak at industry investor conferences about CN's business and operations, including ESG performance and conduct meetings with investors; and
- Investor meetings: as part of regular shareholder engagement, the investor relations team is available for meetings and calls to address shareholder questions or concerns and to provide public information on the Company in a timely and responsive manner.

The pandemic impacted work and travel practices and consequently, from March 2020 through the date of the present Information Circular, most shareholder engagement was conducted via video conference calls or by phone. Quarterly earnings calls and investor conference presentations are webcast and available to listen live via CN's website at www.cn.ca/investors.

We have in place various means of communication for receiving feedback from interested parties, such as a toll-free number for general inquiries (1- 888-888-5909). Shareholders can also reach out to our investment relations team and other stakeholders in accordance with procedures described on our webiste at www.cn.ca, under Investors/ Investor Contacts.

Shareholders and other interested parties may also communicate with the Board and its Chair by calling 1-514-399-6544. The Board of Directors also has procedures allowing interested parties (i) to submit accounting and auditing complaints or concerns to us and (ii) to communicate directly with the Chair of the Board, who presides over all non-executive director sessions. These procedures are described on our website at **www.cn.ca**, under Delivering Responsibly/Governance.

In addition, the Company continued its stakeholder activities by:

- engaging with all levels of government as a participant on advisory councils, review boards and regulatory proceedings;
- conducting community outreach;
- working collaboratively with supply chain partners;
- participating in industry associations (Railway Association of Canada; Association of American Railroads);
- engaging with suppliers at our annual supplier council and through our Sustainable Procurement Excellence program;
- strengthening our relationships and improving our communication with customers;
- ensuring the opportunity for regular two-way communication with employees; and
- taking part in structured community engagement.

For the year 2021, CN received a number of awards and recognition including:

- Named to Dow Jones Sustainability World Index for the 10th consecutive year and on the DJSI North American Index for the 13th year.
- Listed on CDP's 2021 prestigious A List.
- Recognized as one of Canada's Top 100 Employers.
- Recognized by the Globe and Mail's annual review of corporate governance practices in Canada, ranking first overall of 220 S&P/TSX Composite Index Members.
- Ranked among the Best 50 Corporate Citizens in Canada by Corporate Knights for the 13th consecutive year in a row.
- Listed on the FTSE4Good Index.
- Listed on the Jantzi Social Index.
- Listed on the MSCI Indices.
- Progressive Aboriginal Relations (PAR) Bronze Certification from the Canadian Council for Aboriginal Business.

Indigenous Engagement

In addition, the Company continued its stakeholder activities by:

- proactively engaging Indigenous communities and maintaining open dialogue;
- promoting opportunities for Indigenous peoples to join the Company's workforce;
- supporting Indigenous Community initiatives and participating in Indigenous organizations; and
- seeking out and encouraging opportunities for Indigenous business and procurement.

In 2015, Canada's Truth and Reconciliation Commission called on corporations to play a role in reconciliation with Canada's Indigenous peoples, including providing education for management and staff on the history of Indigenous peoples. As part of its Indigenous Vision, the Company actively encourages employee sensitivity to Indigenous issues and has provided in-person cultural awareness training since 2015. An eLearning version of the training was launched in early 2017, providing access to a greater number of employees. In 2018, this training received a President's Award in the CN Values category, indicating its importance for CN. In 2019, this training became mandatory for all employees in Canada. In 2018, CN was the first transportation company to obtain the bronze certification under the Progressive Aboriginal Relations program of the Canadian Council for Aboriginal Business ("CCAB") and one of the first companies to become a Procurement Champion of the CCAB program.

In 2018, the CN Law Department was recognized by Thomson Reuters as the recipient of an Innovation Award in the category of Diversity for all the initiatives in Indigenous Relations. For more details, please refer to our website at www.cn.ca/aboriginalvision.

On February 24, 2021, our Board announced the creation of the CN Indigenous Advisory Council ("IAC"), an independent body comprised of Indigenous peoples from across the country. The IAC's mandate is to provide advice to the Board and senior management on issues that either the Company or the IAC believe are relevant to our relationship with more than 200 Indigenous communities in which CN operates in Canada. Among the goals of the IAC is to reinforce diversity and inclusion through policies and procedures that reflect these principles, as well as fostering meaningful and long-lasting relationships between CN and Indigenous peoples. On November 21, 2021, the co-chairs of the IAC, Ms. Roberta Louise Jamieson, OC, Kanyen'kehà:ka, and the Hon. Murray Sinclair, C.C., M.S.M., Mizhana Geezhik, announced the successful conclusion of their first meeting and the IAC's membership. The IAC comprises accomplished and respected representatives of Canada's First Nations, Inuit and Métis communities, namely:

- Mark Podlasly–Nlaka'pamux Nation, (British Columbia)
- Dr. Marie Delorme–Métis (Alberta)
- Leanne Bellegarde–Peepeekisis Cree Nation (Saskatchewan)
- Phil Fontaine–Sagkeeng First Nation (Manitoba)
- Stephen Augustine–Mi'kmaw Nation [Mi'kmaq Grand Council] (New Brunswick)
- Denise Pothier–Mi'kmaw Nation (Nova Scotia)
- Kateri Coade–Abegweit First Nation [Mi'kmaq] (Prince Edward Island)
- Udlu (Udloriak) Hanson–Inuit (Nunavut)
- Tabatha Bull–Nipissing First Nation (Ontario)
- Ricky G.L. Fontaine – Uashat mak Mani-utenam Innu First Nation (Québec)

The IAC now plans to meet four times a year. In January 2022, a request for proposals (RFP) for a research project was approved by the IAC. This country-wide survey will serve as an important baseline by which IAC progress can be measured, provide additional insight into Indigenous impressions of CN and allow the IAC to test potential recommendations for action.

Community Engagement

CN is fully integrated into the communities and societies we serve. Our reputation is our most valuable asset, and we continuously strive to be good neighbours. As such, we engage externally across a wide spectrum of initiatives and foster two-way communication with the members of our communities, which ensures respectful and beneficial exchanges. We also proactively work to maintain lines of communication between us and our community with respect to questions and concerns, and every year, we publish our CN in the Community Report which highlights CN's presence in our communities. We measure our engagement in communities through Borealis, a stakeholder engagement software, and yearly reputational surveys.

CN's Public Affairs team plays an integral role in keeping CN connected to regional issues and ensuring we participate in impactful community partnership programs that align with local needs and create real benefits for our communities. The team's main purpose is to support community initiatives by reaching out to people in hundreds of communities each year.

As part of our year-round effort to save lives, the CN Police Service also continues to be active in communities across our network in order to promote safe behaviour around railroad infrastructure. CN Police Service activities include conducting enforcement initiatives with external agencies at locations prone to incidents and delivering safety presentations to high-risk groups such as youth and commercial drivers. We also regularly share information on crossing safety, corridor risk assessments and dangerous goods traffic with municipal officials and local emergency responders.

In addition, to further enhance CN's culture of stakeholder engagement and to facilitate ongoing consultations with diverse members of the agricultural industry, CN created the Agricultural Advisory Council. The Agricultural Advisory Council, whose members are rooted in communities along our network, is one of our main consultative bodies–it provides us with insight and advice, and serves as a forum to discuss policy issues that affect the agricultural industry and help improve CN's ability to service this essential Canadian sector.

For CN, giving back is not a slogan–it is our way of doing business. It is also a way of being, a spirit of caring that is shared by everyone at CN. To fuel our actions and those of our community partners, the CN Stronger Communities Fund is helping to build safer, stronger, more sustainable and prosperous communities. CN has created volunteer-driven community boards to guide our CN Stronger Communities Fund's decisions and strengthen community partnerships. Through our community boards, CN is putting funding decisions into the hands of local community and business leaders who know their communities best. CN in Your Community Day, June 6 every year, is also an initiative (created on CN's 100th birthday) to encourage employees to give back to their communities. We also commit to making a difference in the communities along our network in times of need. In the past year, CN has made considerable contributions to relief and humanitarian efforts to help communities in crisis, including to the Village of Lytton, B.C. and the Lytton First Nation in response to important fires in the region, and to the Ukrainian people and their family members in Canada and the U.S. affected by the war in Ukraine.

Our Sustainability Commitments

Delivering Responsibly is at the heart of how CN is building for a sustainable future. At CN, our vision is to be the safest and most carbon-efficient, operationally effective, and customer-centric railroad in North America. Five principles anchor our sustainability commitment:

Environment
Conduct our operations with minimal environmental impact, while providing cleaner, more sustainable transportation services to our customers.

People
Provide a safe, supportive and diverse work environment where our employees can grow to their full potential and be recognized for their contributions to our success.

Safety
Be the safest railroad in North America by establishing an uncompromising safety culture and implementing a management system designed to minimize risk and drive continuous improvement.

Community
Build safer, stronger communities by investing in community development, creating positive socioeconomic benefits and ensuring open lines of communication.

Governance
Continuously improve our culture of integrity and ethical business, building trust and confidence with all our stakeholders.

Our Approach to Sustainability

Our approach to sustainability disclosure aligns with international standards, including the United Nations Global Compact and Sustainable Development Goals ("SDGs"), the Global Reporting Initiative, the SASB, the World Bank Mobility Goals, the Greenhouse Gas Protocol, and the TCFD. Transparency regarding climate-related risks and opportunities is critical to maintaining the trust of our stakeholders and allows our investors to better understand the implications of climate change on our business. Our detailed reports can be found on CN's website at **www.cn.ca** under Delivering Responsibly.

Our approach to sustainability is also aligned with the United Nations Sustainable Development Goals ("UN SDGs") and while we contribute directly and indirectly to each of the 17 UN SDGs, a detailed consideration of the indicators and metrics that comprise the UN SDGs' framework has helped us to identify eight SDGs, on which we believe we can have the greatest impact and that align with our sustainability commitments of Delivering Responsibly. The selection of these SDGs is also based on the principles of materiality and stakeholder inclusiveness, to prioritize the topics that matter most to our business and our stakeholders.

We recognize that our climate is changing, and that businesses must not merely adapt, but be part of the solution. As a mover of the economy, CN is committed to playing a key role in the transition to a lower-carbon economy.

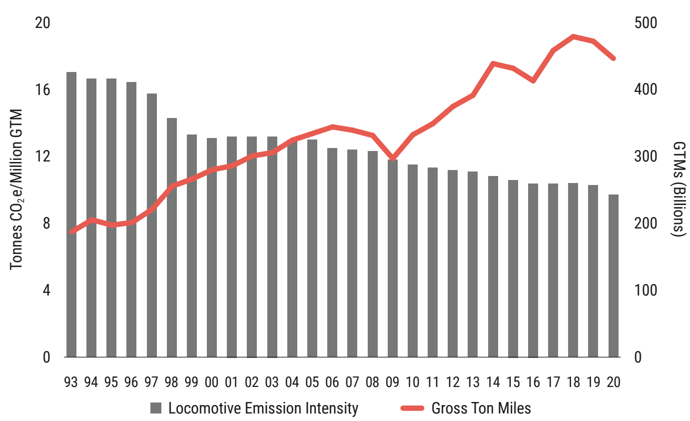
CN has been making a positive contribution in the fight against climate change by offering carbon-efficient transportation solutions to our customers. With approximately 85% of our GHG emissions generated from rail operations, we believe the best way to reduce our carbon footprint is by continuously improving our rail efficiency. Since 1993, we have reduced our rail locomotive GHG intensity by 43%, avoiding nearly 48 million tonnes of CO2[e], and we remain the leader in the North American rail industry, consuming approximately 15% less locomotive fuel per gross ton mile than the industry average.

The graph below illustrates the improvement of CN's locomotive GHG emissions intensity since 1993:

Decoupling growth from Carbon Emissions

Locomotive GHG Intensity vs. Gross Ton Miles (GTMs)

(Tonnes CO_2e/Million GTM vs. Traffic Billion GTM)



Since 1993:

↓43%
Reduction in locomotive GHG intensity

↓48 million
Tonnes of carbon avoided while continuing to grow in volume of freight we move

We recognize that rail has a tremendous potential to reduce the environmental impact of transportation services and we are actively working with many of our customers to help them reduce their transportation supply chain GHG emissions, by leveraging rail for the long haul and trucking over shorter distances. Shipping heavy freight by rail can reduce carbon emissions by up to 75% when compared to trucks. The greater use of combined modes helps lower transportation costs by allowing each mode to be used for the portion of the trip to which it is best suited. It also helps reduce road traffic congestion, accidents and the burden on transportation infrastructure. Our strategy to further reduce our Scope 1 and 2 emissions will help the company to maintain its position as a key enabler of supply chain decarbonisation over the long-term. In turn, these activities will contribute to reducing the Scope 3 emissions of our customers.

We support the TCFD's recommendations, and in 2020 CN became the first North American railroad to formally support the framework, which promotes more effective climate-related financial disclosures. CN also released its second TCFD report, outlining four core elements for disclosing climate-related risks: Governance, Metrics and Targets, Strategy and Risk Management.

Our approach under each of these elements is outlined below:

Governance

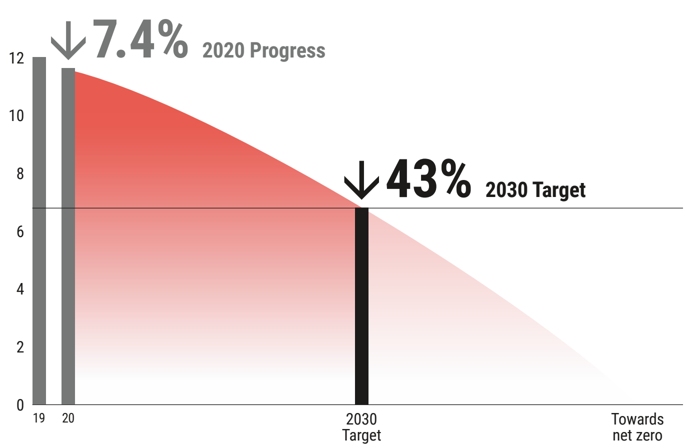
The Governance, Sustainability and Safety Committee of the Board has the highest level of responsibility for the Company's environmental and sustainability disclosures including CN's Climate Action Plan, as well as the monitoring of the Company's progress against its set targets under such plan, and all related climate issues. The Audit, Finance and Risk Committee of the Board has the highest level of responsibility for risk management, including climate-related risks. CN's Chief Operating Officer, and its Vice-President, Sustainability, who has direct overall responsibility for CN's sustainability strategy, including the Climate Action Plan, provide executive oversight.

Metrics and Targets (Long-Term Science-Based Targets)

As we prepare for the future, we are committed to reduce emissions and improve our carbon intensity consistent with stabilizing global temperatures. In 2017, CN became the first railroad in North America to set an approved science-based target. To ensure consistency with the most recent climate science and best practices that apply a well below 2-degree scenario, and due to our acquisition of TransX, we worked with the Science-Based Target Initiative ("SBTi") and resubmitted our target. In April 2021, the SBTi approved CN's new commitment to reduce Scope 1 and 2 GHG emissions by 43% per million gross ton miles by 2030 from a 2019 base year, and to reduce Scope 3 GHG emissions from fuel- and energy-related activities by 40% per million gross ton miles by 2030 from a 2019 base year. Furthermore, in November 2021, we announced our commitment to setting a target in line with a 1.5°C scenario and to achieving net-zero carbon emissions by 2050.

2030 Science-based Target

Emissions trajectory in a well-below 2˚C Scenario
(tonnes CO_2e/Million GTMs)



Strategy

Reducing our Rail Carbon Footprint

With approximately 85% of our GHG emissions generated from rail operations, we believe the best way to reduce our carbon footprint is by continuously improving our rail efficiency. As such, our target informs our low-carbon transition plan and business strategy. To achieve our science-based target to reduce our GHG emission intensity by 43% by 2030 based on 2019 levels, we are focused on five key strategic areas:

Fleet Renewal: Cleaner, more fuel-efficient equipment enables us to decouple our business growth from GHG emissions. We continue to purchase more fuel-efficient locomotives and in 2020, we acquired 41 of the most fuel-efficient, high-horsepower locomotives available.

Innovative Technology: We continue to explore and invest in innovative technologies. We equip our locomotives with energy management and data telemetry systems as well as distributed power functionality to help us maximize locomotive operating effectiveness and efficiency. These innovative technologies will allow us to continuously improve train handling, braking performance, and overall fuel efficiency, therefore improving our carbon efficiency in the years to come.

Big Data: Through our locomotive telemetry systems, we collect large amounts of data to improve performance and fuel conservation. In addition, Horsepower Tonnage Analyzer uses the data from the systems to optimize a locomotive's horsepower-to-tonnage ratio, further minimizing fuel consumption. Investments in information technology enable deeper analysis to continue to identify, through big data analytics, additional opportunities for fuel conservation that will present opportunities for us to further reduce our emissions in the coming years.

Operating Practices: CN is moving from Precision Scheduled Railroading (PSR) to Digital Scheduled Railroading (DSR) with advanced information technologies and automation to further improve operations, safety and ease of doing business. Real-time information enables on-the-job training on practices that promote fuel conservation. Capitalizing on our locomotive telemetry systems and advanced data analytics will help us identify additional opportunities for fuel conservation operating practices in the coming years.

Cleaner Fuels: Driven by regulatory requirements, the growth of the renewable fuel market presents an immediate opportunity to further reduce our emissions by using sustainable renewable fuel blends in our fleets. In the medium term, the proposed Canadian Federal Clean Fuel Standard and other existing renewable and clean fuel standards in jurisdictions where CN operates, will continue to present an important opportunity for us to further reduce our emissions. Furthermore, we are also actively working with our fuel suppliers and locomotive manufacturers and are focused on testing and exploring the greater use of sustainable renewable fuel blends, beyond regulated amounts, in our locomotives, to achieve our target. In November 2021 we announced a partnership with Progress Rail and Renewable Energy Group (REG) to test high-level renewable fuel blends including both biodiesel and renewable diesel in support of our sustainability goals. Trials and qualifications of up to 100% bio-based diesel fuel are underway and important steps in reducing GHG emissions from CN's existing locomotive fleet. The program will allow CN and Progress Rail to better understand the long-term durability and operational impacts of renewable fuels on locomotives, especially in cold weather and plan needed modifications to fully leverage their usage over the next decade.

Achieving our target is dependent in part on the continuing successful development and availability of innovative technologies and the availability of sufficient volumes of cost competitive sustainable renewable fuels in the years to come. The extent of our ability to fully deploy and implement new technologies, as well as to obtain and use sufficient volumes of sustainable renewable fuels will require collaboration between locomotive manufacturers and fuel producers. This ecosystem of collaboration is a key area of focus for CN.

Reducing our Non-Rail Carbon Footprint

Operating an efficient railroad extends to our non-rail operations, enabling further carbon reductions in our ground and vessel fleets, buildings and yards. The carbon footprint of our non-rail operations comprises approximately 17% of our total (Scope 1 and 2) GHG emissions. We continue to implement best practice initiatives, including new equipment and technologies, to further reduce energy consumption.

Driving Ground Fleet Upgrades: Our non-rail ground fleet, comprising intermodal equipment, trucking, On Company Service (OCS) vehicles and CNTL and TransX trucks, makes up roughly 7% of our Scope 1 and 2 emissions. Over the past few years, we have been focused on improving the fuel efficiency of these fleets while also increasing our use of renewable fuels.

We have also purchased electric vehicles in our OCS fleet, and recently announced a partnership with Lion Electric to pilot the use of electric trucks to further decarbonize our intermodal services. Our teams continue to be trained on fuel efficiency, from the use of aerodynamic components on trucks to innovative routing optimization initiatives. In 2020, we installed a new driver-centric fleet management system to improve hours of service management, enable a paperless workflow, and to drive further gains with respect to accident prevention and fuel efficiency.

Retrofitting Yards and Buildings: Our $5-million annual CN EcoFund, combined with government and utility incentives and subsidies, has enabled us to secure the necessary funding to drive energy-efficient upgrades in our buildings and yards. We continue to invest in retrofits to boilers, air compressors, HVAC systems, and LED lighting, enabling us to improve our carbon efficiency and save costs. Since 2011, we achieved a 30% reduction in electricity consumption at key yards, avoiding more than 171,000 tonnes of carbon.

Decarbonizing our Vessel Fleet: Our marine services extend beyond where track and trucks stop, offering marine shipping in regions like the Great Lakes. Our shipping fleets offer safe, and highly fuel-efficient fleet transportation services and are continually upgraded to meet strict emission requirements. Ship operators are also trained on fuel conservation practices, including strict speed protocols and operating parameters resulting in further carbon emission reductions. In 2019, we installed new skewered propeller blades on one of these vessels. These new blades reduce engine vibration, which will extend their life, and the fuel efficiency of the vessel, contributing to reduced carbon emissions from its operation. Overall, our marine emissions intensity in 2020 decreased vs. 2019 due to the layup of the two least fuel-efficient vessels during the economic downturn.

Risk Management

Climate change is integrated into our risk assessment processes, which consider both physical risks, including increased frequency of temperature extremes, flooding and sea level rise, fires, hurricanes, and tornadoes, as well as transition risks, including legal, policy and market impacts. The Audit, Finance and Risk Committee of the Board of Directors has the responsibility for monitoring our risk management and internal controls approach, which includes climate related risks. Specifically, the Audit, Finance and Risk Committee reviews risk management policies and provides oversight of our compliance with applicable legal and regulatory requirements. Having oversight for climate-related risks is an important responsibility for the Audit, Finance and Risk Committee ensuring that appropriate risk management processes are in place across the organization, including the risk oversight and risk management policies under the ERM. In 2021, the Audit, Finance and Risk Committee reviewed the results of our ERM and made the decision to approve the identification of the Company's net risks, which included the identification of climate change physical risks. Specifically, they approved our climate risk mitigation controls and initiatives to integrate climate risk management activities into the business plan. Please refer to our TCFD report, which is available on our website, for additional information.

The Future: Looking Ahead to 2030 and Beyond

As we look to 2030 and beyond, decarbonizing rail transportation will continue to require innovative fuel-efficient technologies, the greater use of cleaner sustainable fuels, and designing innovative low emission supply chain solutions through investments and collaboration. CN recognizes the need for new locomotive propulsion technology to meet the deep decarbonisation required to achieve a net zero emissions by 2050. We also recognize the importance of collaborating with governments, supply chain partners, universities, cleantech, fuel producers and locomotive/engine manufacturers in achieving an effective transition to a lower carbon future. Our position in the supply chain will enable us to lead a step change towards decarbonising North America's freight sector, by leveraging and stimulating progress in the development of low-carbon fuels and technologies. Discussions on the prospects of rail electrification and hydrogen power trains are already underway. Through the Railway Association of Canada, we have been actively working with the Government of Canada since 1995 to address the impacts of rail activities on the environment, through a Memorandum of Understanding ("MOU"). The 2018 – 2022 MOU supports the Government of Canada's commitments under the Pan-Canadian Framework on Clean Growth and Climate Change, and its vision for green and innovative transportation. It includes the development of a comprehensive pathway for aligning government and industry efforts to reduce emissions produced by the railway sector, identifying opportunities to advance clean technology, clean fuels, and innovation in the sector through research, policy or programs.

In 2021, we announced the purchase of a Wabtec's FLXdrive battery-electric freight locomotive, the first 100% battery heavy-haul locomotive in support of our ambitious long-term goals. The anticipated efficiencies and emission reductions from this technology will be significant, reducing locomotive fuel consumption and emissions by up to 30%, and will help open the door to new alternatives beyond the diesel-powered locomotives used today.

In addition, CN has partnered with Progress Rail, a Caterpillar company, and the Renewable Energy Group (REG) to test high-level renewable fuel blends including both biodiesel and renewable diesel. This new technology and the greater use of renewable fuels are key components in achieving an effective transition to a lower-carbon future.

Rail shipping as an environmental, efficient, and cost-effective mode of transport is especially compelling as we move towards a clean economy and bring cleaner, more environmentally sustainable products to the marketplace.

Shareholders should refer to our website, at **www.cn.ca** under Delivering Responsibly for more information on our CDP and TCFD disclosures and our GHG Emissions Assurance Statement.

Dear Shareholder:

On behalf of CN's Human Resources and Compensation Committee the ("Committee") and the Board, we welcome this opportunity to share our approach to executive compensation.

Once again, in April 2021, the Company's annual "Say on Pay" advisory vote received strong support, with 97.7% of shareholders' votes in favour of CN's disciplined approach to executive compensation. This represents the sixth consecutive year where CN received the highest result in favour of the "Say-on-Pay" vote among publicly traded Class I railroads. CN remains committed to transparency by providing clear and comprehensive disclosure information to its shareholders.

In October 2021, after more than 25 years of dedicated service with CN, Mr. Jean-Jacques Ruest announced his retirement from his position as President and Chief Executive Officer (CEO) and as a member of the Board, positions he has held since 2018. The Committee and Board are grateful for Mr. Ruest's leadership and exemplary commitment to railroading. We would like to congratulate him and wish him all the best in his well-earned retirement.

On January 25, 2022, following an international search to identify an exceptional leader to take CN forward, the Board appointed Tracy Robinson as CN's President and Chief Executive Officer, effective February 28, 2022. Following a robust process, Ms. Robinson was identified as the right leader to drive sustainable growth, continued operational improvement, technological advancement and increased shareholder value, and to retain and attract a world-class workforce. Ms. Robinson previously held a variety of executive positions at TC Energy, most recently Executive Vice-President of TC Energy, President of Canadian Natural Gas Pipelines and President Coastal GasLink. Prior to joining TC Energy, Ms. Robinson spent 27 years at Canadian Pacific, including executive roles spanning Operations, Finance and Commercial. Ms. Robinson is a well-respected and seasoned executive who brings more than 35 years of operational management, strategy development, and project execution experience to drive growth and profitability to CN. Mr. Ruest remained at CN in an advisory role until March 31, 2022 to ensure a seamless transition.

2021 Overview

CN showed strong financial and operating results in 2021, delivering C$658 million of revenue growth and C$839 million of operating income growth compared to last year, as well as a 38% increase in diluted earnings per share (EPS) and a 12% increase in adjusted diluted EPS [(1)]. For the fourth quarter of 2021, CN delivered solid operating and financial performance across the board, with its operating ratio [(2)] improving to 58.3% and its adjusted operating ratio,[(2)] improving to a fourth quarter record of 57.9%. These strong results in 2021 were achieved despite the negative impacts of extreme weather, severe wildfires and flooding on CN's busy Western Canadian mainline corridor, and ongoing global supply chain issues due in large part to the global pandemic. CN successfully managed through these challenges in 2021, while never losing sight of the Company's longer-term goals and priorities. CN's previous strategic investments in the resiliency of its network enabled the Company to continue delivering high-quality service to customers while generating profitable growth and enhancing returns to shareholders.

CN understands the importance of a well-defined strategy to guide its decision-making, especially in these rapidly changing times. The Company is demonstrating the foresight, agility and resilience necessary to continue to create value for all its stakeholders by redefining railroading for the 21st century. CN's business strategy is anchored on the Company's vision of *Powering Sustainable Growth* for its customers, people and communities. In September 2021, details of CN's plan to improve operational performance and productivity, building upon its January 2021 strategic plan, were announced. CN's strategic plan reinforces CN's commitment to delivering long-term sustainable value creation. CN's performance in the fourth quarter of 2021 demonstrated solid progress towards the strategic plan. Moreover, CN created value to its shareholders in 2021 by repurchasing 10.3 million of its common shares, returning C$1.6 billion as part of its share repurchase plan.

Delivering Responsibly is at the heart of how CN is building for a sustainable future. CN is committed to implementing new environmental, social and governance initiatives that reflect best-in-class practices and reinforce its status as a leader among North American Class I railroads and across the entire transportation sector. In 2021, CN raised the level of its ambition and announced expanded ESG short-term and long-term targets to increase accountability for its ESG priorities and results. The achievement of fuel efficiency, employee engagement and customer centricity targets has been incorporated into incentive compensation at the executive and senior management levels in 2021 (see pages 55 to 57 for more details). As evidence of CN's sustainability leadership, in 2021, CN was listed on the Dow Jones Sustainability World Index for the 10th consecutive year and was one of only three Canadian companies listed on CDP's global Climate A List recognizing its actions to cut emissions, mitigate climate risks and develop the low-carbon economy.

CN has an uncompromising commitment to the health and safety of its employees, its customers, and the communities and ecosystems in which it operates. CN continues to train its people, build its infrastructure, and renew its technology toward its goal of being the safest railroad in North America. CN is enhancing its strong safety culture with its successful *Looking Out for Each Other* peer-to-peer engagement program, which urges team members to work together, be vigilant about safety and to speak up if they spot an unsafe situation, as well as ensuring strict adherence to *Life Critical Rules*, which address the day-to-day activities that have the potential to cause serious harm or loss of life.

CN also adheres to the highest standards of corporate governance. The Board renewed its governance practices in 2021, implementing best-in-class practices with respect to board size, gender equity and diversity, and director tenure. In December 2021, CN earned a #1 position in the Globe and Mail's comprehensive 2021 ranking of Canada's corporate boards.

(1) Adjusted diluted earnings per share is a non-GAAP measure and does not have any standardized meaning prescribed by GAAP and therefore, may not be comparable to similar measures presented by other companies. For an explanation of adjusted diluted earnings per share, an explanation of how this non-GAAP financial measure provides useful information to investors and the additional purposes for which management uses this non-GAAP financial measure, as well as a reconciliation to the most directly comparable GAAP measure, see the section entitled "Adjusted performance measures" in the MD&A, which is incorporated by reference herein. The MD&A may be found online on SEDAR at **www.sedar.com**, on the SEC's website at **www.sec.gov** through EDGAR, and on the Company's website at **www.cn.ca** in the "Investors" section

(2) Operating ratio is defined as operating expenses as a percentage of revenues

Disciplined Approach to Compensation

CN's approach to executive compensation continues to be driven by its goal to incentivize executives to create and deliver sustainable returns to shareholders. CN exercises a disciplined approach by ensuring short- and long-term incentive plans are structured to align realized pay with shareholder returns using various key performance measures, reinforced by the increased use of Relative Total Shareholder Return ("Relative TSR") as one of the performance measures applicable to Performance Share Units ("PSU"). In addition, its executive compensation policy supports the attraction and retention of the best executive talent.

Long-term growth and value creation remain central to CN's pay strategy and targets are set to ensure that its compensation policy does not encourage undue risk-taking on the part of the Company's executives. CN's executive compensation program also incentivizes management focus on safe and reliable operations, customer focus, employee engagement and environmental objectives.

CN's disciplined approach to compensation continues to ensure sound and performance-driven compensation, which is reviewed annually by the Committee. The Committee also independently retains the services of Hugessen Consulting, Inc. ("Hugessen") to provide advice on compensation recommendations that are presented for Committee approval.

Compensation Decisions in 2021

The compensation of our Named Executive Officers ("NEOs") is paid in U.S. dollars to provide a more precise, meaningful and stable comparison with the U.S. dollar-denominated compensation of incumbents in equivalent positions within the comparator group. The Committee believes the Company's comparator group and the U.S. dollar-denominated approach to compensation for the NEOs are appropriate and, combined with an overall disciplined approach, provide a competitive total compensation package.

Base Salary

CN's policy for base salaries and target bonuses continues to be at the median of the comparator group. The Committee closely monitors the compensation paid to all executives to ensure it supports a market-competitive compensation envelope.

Annual Incentive Bonus Plan ("AIBP")

To further align the AIBP with the long-term strategic vision of the Company and its ESG priorities as well as to support employee engagement on safety and strategic initiatives, the 2021 AIBP for executives and senior management employees was 100% based on Company performance against pre-set goals for three corporate components: financial, safety and strategic. Updates to achieve better alignment made in 2021 include:

- The individual component for executives and senior management employees was replaced with a corporate strategic component consisting of three quantitative strategic measures (fuel efficiency, employee engagement and customer centricity) to further support CN's long-term vision and strategic plan.
- The corporate safety component was extended to all management employees to further incentivize the prevention of accidents and injuries, including serious accidents and fatalities.
- The financial performance condition pro-ration impact on the corporate safety component and the corporate strategic component was removed to further incentivize employee engagement on safety and strategic initiatives.

The 2021 AIBP targets remained unchanged at 140% of base salary for the President and CEO, and at 80% of base salary for the other NEOs. The corporate financial component, which accounted for 70% of the annual incentive paid to NEOs measures and rewards against challenging pre-set targets for revenue, adjusted operating income and free cash flow. After a payout of 19.92% of target in 2020 on the corporate financial component for NEOs, the Board approved a payout at 169% of target for 2021, reflecting significant improvement in operating results.

The corporate safety component, which accounts for 10% of the annual incentive, is linked to the Company's safety performance and determined on the basis of Board approved targets for injuries and accidents. In 2021, CN's year-over-year injury frequency rate [(1)] improved and target was exceeded, leading to a maximum payout opportunity for this metric, while the Company's performance on the accident rate [(2)] did not meet the required threshold for this metric. As a result, the Board confirmed a payout of 100% of target for NEOs for the corporate safety component.

Finally, the corporate strategic component, which accounted for 20% of the annual incentive, consisted of three quantitative measures: fuel efficiency, employee engagement and customer centricity. For 2021, the fuel efficiency results were above target, the customer centricity measures resulted in the maximum payout opportunity, and the results of the employee engagement measure did not achieve the required threshold. As a result, the Board confirmed a payout of 113.33% of target for NEOs for the corporate strategic component.

Combining the three components of the AIPB (financial, safety and strategic), the overall payout for the 2021 AIBP was 151% of target for NEOs, which reflects an improvement in operational success relative to the two prior years (which had AIBP scores below target), further confirming that CN's incentive programs are aligned with a rigorous performance framework.

(1) Per 200,000 person hours, based on Federal Railroad Administration (FRA) reporting criteria.
(2) Per million train miles, based on FRA reporting criteria.

Long-Term Incentive Program
No changes were made to the Long-Term Incentive ("LTI") plan in 2021, following changes made in 2020 to align performance factors with shareholders' return and interest by increasing the Relative TSR weighting in PSUs to 40% and extending the vesting period for stock options from four to five years.

New President and Chief Executive Officer Compensation
Ms. Robinson's annual target compensation was set within the current executive compensation framework, taking into account competitive positioning and executive experience. For 2022, Ms. Robinson's base salary was set at U.S.$900,000, with a target annual bonus of 140% of base salary under the AIBP and a Performance Share Unit grant and Stock Option grant worth a cumulative U.S.$7,040,000. The target total direct compensation of U.S.$9,200,000 was set at the same level as Mr. Ruest's target compensation for 2021, and is positioned, as per historical practice at CN for the President and CEO role, below the median of the Class I Railroad comparator group. Ms. Robinson will be subject to a share ownership guideline of eight times base salary, to be achieved by the fifth anniversary of her start date. A special make-whole award of C$1,675,000 was provided to Ms. Robinson in order to mitigate the forfeiture of compensation she incurred by leaving TC Energy. The make-whole award was determined based on a review of her outstanding incentive compensation awards that were forfeited upon her accepting the role with CN, both in terms of form and timing. The special award includes a combination of cash (C$500,000), standard CN Performance Share Units (C$1,050,000) and 5-year term CN Stock Options with 2-year vesting (C$125,000). This combination is intended to provide an equivalent replacement for her forfeited compensation, while also providing retentive value.

Additionally, CN has provided Ms. Robinson with certain severance and termination provisions deemed to be appropriate in the circumstances surrounding her recruitment as President and CEO. These include 1) a severance amount in the event of an involuntary termination equal to two times annual base salary plus two times target annual bonus under the AIBP and 2) continuation of 2022 long-term incentive and special make-whole equity awards in the event of an involuntary termination prior to January 31, 2023.

Compensation Risk Mitigation

CN's compensation plans are designed to encourage appropriate behaviours and include appropriate risk mitigation mechanisms. In 2021, Willis Towers Watson conducted its annual review of CN's compensation practices and confirmed that "there does not appear to be significant risks arising from CN's compensation programs that are reasonably likely to have a material adverse effect on the Company". At its December 2021 meeting, the Committee reviewed Willis Towers Watson's risk assessment report and endorsed its conclusions. In its own assessment, the Committee determined that proper risk mitigation features are in place within the Company's compensation programs.

Conclusion

The Committee and the Board believe that compensation outcomes are appropriate and aligned with CN's approach to executive compensation and value creation for our shareholders. The Committee remains fully engaged in ensuring that CN's executive compensation continues to be anchored on a disciplined approach, linked to performance, and on being market competitive. The Chair and other members of the Committee will be attending the Meeting to answer questions about CN's executive compensation. The Committee believes its approach to executive compensation supports the execution of the Company's strategic plan, and it remains committed to a compensation plan aligned with the long-term interests of shareholders.

Robert Pace
Chair of the Board
of Directors

The Honorable Kevin G. Lynch
Chair of the Human
Resources and
Compensation Committee

Human Resources and Compensation Committee

Composition of the Human Resources and Compensation Committee

The Committee is composed of six independent members.

All members have a thorough understanding of compensation policies and principles related to executive compensation and have experience in human resources and compensation matters. Furthermore, they are also members of other committees of the Board and this overlap provides a strong link with the Committee's risk oversight responsibilities.

The following is a description of the education, skills and experience of each member of the Committee, as at the date of this Information Circular, that are relevant to the performance of his/her responsibilities as a member of the Committee, including skills and experience enabling the Committee to make decisions on the suitability of the compensation policies and practices of the Company:

- Dr. Lynch, Chair of the Committee, held various senior positions in the Government of Canada, including Clerk of the Privy Council, Secretary to the Cabinet and Head of the Public Service of Canada where he was responsible for the overall management of 263,000 employees in 80 departments and agencies of the Canadian government. Dr. Lynch was a member of the Leadership Council of the Bank of Montreal and, until 2020, Chair of the board of directors of SNC-Lavalin Group Inc. He was Chair of the Governance, Sustainability and Safety Committee and a member of the Human Resources Committee of Empire Company Limited (Sobeys) until 2017.
- Ms. Bruder is a retired Executive Vice-President, Operations at RBC where she was responsible for operations related to all personal and business clients in Canada delivered through more than 8,000 employees. In her corporate and board roles she gained extensive experience overseeing human resources matters, including compensation design, performance management and talent/succession planning.
- Ms. Gray is Director, External Affairs & Government Relations, North America, LG Energy Solutions Michigan Inc., U.S. She oversees the North American subsidiary of South Korean LG Energy Solution, one of the world's largest lithium-ion battery manufacturers. She has extensive experience as an executive, including experience in overseeing a large number of employees, performance management and human resources matters.
- Mr. Howell is a senior investment manager with Cascade Asset Management Co. and was previously an investment banker and a lawyer. Mr. Howell is Chair of the Nomination and Compensation Committee and a member of the board of directors of Sika AG, a multinational specialty chemical company listed on the SIX Swiss Exchange and headquartered in Baar, Switzerland. As a corporate director, he gained experience overseeing human resources matters, including compensation design, performance management and talent/succession planning.
- Mr. Pace is President and Chief Executive Officer, The Pace Group (radio broadcasting, real estate development and environmental services). He has extensive business experience as well as experience in the government sector and as a public company director and chairman, including experience overseeing human resources matters such as compensation design, performance management and talent/succession planning. He is Chair of the board of directors of High Liner Foods Incorporated since 2019 (director since 1998) and the chairman of Maritime Broadcasting System.
- Mr. Phillips served as President and Chief Executive Officer of various companies, including Dreco Energy Services, Ltd., PTI Group, Inc., and British Columbia Railway Corporation where he gained in-depth exposure to human resources and compensation matters. He currently serves on the Human Resources and Compensation Committee of Canadian Western Bank and will be retiring from this role effective April 7, 2022. He also currently serves on the Human Resources and Compensation Committee of West Fraser Timber Co. Ltd. Mr. Phillips was inducted as a fellow of the Institute of Corporate Directors in June 2017.

The following table summarizes the human resources and compensation-related experience of the Committee members:

AREA OF EXPERIENCE	NUMBER OF COMMITTEE MEMBERS WITH VERY STRONG OR STRONG EXPERIENCE	
Membership on HR committees	6/6	100%
Organizational exposure to the HR function	6/6	100%
Leadership and succession planning, talent development	6/6	100%
Approval of employment contracts	6/6	100%
Development/oversight of incentive programs	4/6	67%
Oversight of stress-testing of incentive programs vs. business/operating performance	5/6	83%
Pension plan administration/oversight	3/6	50%
Interpretation and application of regulatory requirements related to compensation policies and practices	4/6	67%
Engagement with investors and investor representatives on compensation issues	5/6	83%
Oversight of financial analysis related to compensation policies and practices	5/6	83%
Exposure to market analysis related to compensation policies and practices	4/6	67%
Drafting or review of contracts and other legal materials related to compensation policies and practices	4/6	67%
Oversight of labour matters	3/6	50%

Mandate of the Human Resources and Compensation Committee

The responsibilities of the Committee include:

- Ensuring appropriate mechanisms are in place regarding succession planning for executive management positions, including the President and Chief Executive Officer;
- Overseeing the process for the selection of executive officers, recommending their appointment, and approving the terms and conditions of appointment and termination or retirement of the President and Chief Executive Officer and other executive officers;
- Reviewing corporate goals and objectives relevant to the President and Chief Executive Officer and other executive officers, their development, and their performance based on those goals and other factors, and recommending to the Board their compensation based on this evaluation;
- Identifying risks associated with CN's compensation policies and practices and assessing whether they provide an appropriate balance of risk and reward in relation to the Company's overall strategic direction, and reviewing disclosure on: (i) the role of the Committee in that respect, (ii) any practices that CN uses to identify and mitigate such risks, and, (iii) any identified risk arising from CN's compensation policies and practices that is reasonably likely to have a material adverse effect on CN;
- Examining all elements of executive remuneration and reporting annually on compensation practices, including by overseeing the selection of any benchmark group used in determining compensation or any element of compensation, and reviewing disclosure on such group;
- Overseeing outside advisors, including compensation consultants, independent legal counsel or other independent advisors, hired to assist in the performance of its functions and responsibilities;
- Evaluating the independence of outside advisors in accordance with applicable Canadian and U.S. corporate governance standards, or other applicable laws, rules or regulations;
- Reviewing human resources practices and policies by ensuring, among other things, that appropriate human resources systems are in place to allow the Company to attract, motivate and retain the quality and diversity of personnel required to meet its business objectives;
- Ensuring regular employee engagement surveys and monitoring the results of the surveys and their implications for effective talent management at CN; and
- Monitoring on a regular basis CN's union relations, CN's labour relations strategy and its consistency with CN's strategic direction.

The Committee's full charter is available as part of CN's Corporate Governance Manual at **www.cn.ca**, under Delivering Responsibly/Governance. Finally, the Committee met six (6) times in 2021 and held *in camera* sessions during each meeting.

Talent Management, Diversity and Succession Planning

Talent management, leadership development, succession planning, diversity, equity and inclusion (DE&I), and employee engagement are priorities for the Board and the Committee. An integrated talent framework, focusing on the identification, assessment, and development of leaders, is used to ensure the Company has an appropriate pipeline of potential diverse successors at the executive and management levels.

CN prepares talent for broader and more complex roles by customizing development plans to individual, business and leadership needs as well as providing meaningful cross-functional experiences, where applicable. As required, the Company also addresses talent gaps and acquires critical skills through external hiring.

On a regular basis, the Committee reviews updates on the talent management, diversity and leadership development of each function. Throughout the year, the Committee also conducts in-depth executive analysis focused on the strength, gaps and diversity of succession pools for key leadership roles across CN. The Company integrates a more precise development approach for key talent to prepare them for broader and more complex roles in an expedited manner while also developing agility and critical leadership capabilities. CN regularly hones its career development program to provide targeted training and practical work experience that reinforces the development of talent.

A complete review of the contingency as well as short-, medium- and long-term succession plans for the executive team is conducted annually, and specific customized plans to address identified gaps are developed and implemented.

Regarding CN's long-term strategic plan, aligning leadership and capability development are key to its successful implementation. Aligning the compensation programs with the Company's strategic goals are a key component linking shareholder returns with management's performance.

CN has created the position of Director Diversity, Equity and Inclusion, providing a more focused and disciplined approach to delivering on CN's DE&I strategy.

The Committee is satisfied the proper talent management and succession planning strategies are in place to ensure the Company's ongoing success.

Independent Advice

The Committee retains the services of executive compensation consultants to provide advice on compensation recommendations that are presented for Committee approval. Since October 2007, the Committee retains the services of Hugessen for that purpose. The Committee mandated Hugessen to review and provide advice directly to the Committee on executive compensation recommendations and related questions. The fees invoiced by Hugessen in 2021 totalled approximately C$265,500. Services performed by Hugessen were compensation-related services provided directly to the Committee. The Committee also reviewed the independence of Hugessen and evaluated its performance for 2021. The Committee is satisfied with the advice received from Hugessen and that such advice is objective and independent. Hugessen also meets the independence requirements of the NYSE Listing Standards and confirmed that, on an annualized basis, the amount of fees received by the firm from CN represents less than 5% of Hugessen's total fees.

Since 2007, the Board has adopted a policy to the effect that the Chair of the Committee must pre-approve all non-compensation services provided to the Company by the consultant retained by the Committee to perform executive compensation-related services. Pursuant to an understanding between the Committee and Hugessen, the latter has agreed not to perform any work for management.

Executive Compensation – Related Fees

	SERVICES RENDERED IN 2021 (C$)		SERVICES RENDERED IN 2020 (C$)	
	EXECUTIVE COMPENSATION – RELATED FEES	ALL OTHER FEES	EXECUTIVE COMPENSATION – RELATED FEES	ALL OTHER FEES
Hugessen	265,500	0	103,100	0

Executive Summary

Named Executive Officers

This Compensation Discussion and Analysis ("CD&A") section covers executive compensation for the year ended December 31, 2021, and focuses on the following Named Executive Officers who appear in the compensation tables:

Jean-Jacques Ruest
President and Chief Executive Officer

Ghislain Houle
Executive Vice-President and Chief Financial Officer ("CFO")

Robert Reilly
Executive Vice-President and Chief Operating Officer ("COO")

Sean Finn
Executive Vice-President Corporate Services and Chief Legal Officer ("CLO")

Dominique Malenfant
Executive Vice-President and Chief Information and Technology Officer ("CITO")

Compensation Framework

The Company follows a comprehensive executive compensation program for NEOs that includes: (i) base salary; (ii) annual incentive bonus; (iii) long-term incentives; (iv) retirement benefits; and (v) executive perquisites. The first three elements define total direct compensation. The objective of CN's compensation program is to attract, retain and engage top talent by ensuring there is a clear link between the Company's long-term strategy, its business plan and executive rewards.

Decisions on how much to pay the NEOs and all other executives in terms of total direct compensation are based on the Company's executive compensation policy. The policy aims to position target total direct compensation between the median and the 60th percentile of the executives' respective comparator groups. For the President and CEO, and the other NEOs, the comparator group consists of select Class I railroads (Union Pacific Corporation, CSX Corporation, Norfolk Southern Corporation and Canadian Pacific Railway Limited). For all other executives, the comparator group is comprised of a broad sample of U.S. industrial organizations with revenues between U.S.$6 billion and U.S.$15 billion that participate in Willis Towers Watson's proprietary database. CN generated revenues of C$14.5 billion in 2021. For executives in group or division level positions, a complete sample of the U.S. industrial organizations is used, with revenue ranges aligned to reflect the scope of the role of the respective CN executives. More information on the comparator groups can be found on page 53.

In December 2021, as part of the annual compensation review process, Willis Towers Watson provided an assessment of how total direct compensation offered to all executives during the year compared against that of the respective comparator groups. Willis Towers Watson reported the overall aggregate positioning of the total direct compensation of executives is aligned with the comparator group of CN.

In January 2022, a vertical pay ratio analysis was conducted and presented to the Committee, for the purpose of its review of 2022 compensation recommendations. The vertical pay ratio analysis consists of comparing the total direct compensation of each NEO to the median annual total direct compensation for all CN employees. This analysis provides additional context when the Committee reviews the compensation programs of the Company.

Decision Process

The compensation of the NEOs, other than that of the President and CEO, is recommended by the President and CEO and reviewed and recommended by the Committee for approval by the Board. The compensation of the President and CEO is recommended by the Committee and approved by the independent members of the Board. The President and CEO serves at the discretion of the Board. Neither the President and CEO nor the other NEOs have employment contracts.

2021 Base Salary

The base salaries of the President and CEO and the other NEOs are paid in U.S. dollars to provide a more precise, meaningful and stable comparison with U.S. denominated salaries in equivalent positions within the comparator group. As part of the annual compensation review of the NEOs, base salaries were set with reference to the median of the applicable comparator group. Salary increases reflect market competitiveness, leadership abilities, retention considerations and succession plans. For more information on base salaries, please refer to page 54.

2021 Annual Incentive Bonus Plan (AIBP) Results

In 2021, changes were made to the AIBP to further align the plan with the long-term strategic vision of the Company as well as environmental, social and governance practices. The changes included (i) replacing the individual component for executives and senior management employees by a corporate strategic component consisting of three quantitative strategic measures (fuel efficiency, employee engagement and customer centricity); (ii) extending the corporate safety component to all management employees; and (iii) discontinuing the downward adjustment to the corporate safety component and the corporate strategic component should the corporate financial component be below 100% in order to support employee engagement on safety and strategic initiatives. As a result, 100% of the AIBP for executives and senior management employees was based on Company performance against pre-set goals in the respective performance components.

The corporate financial component accounted for 70% of the annual incentive bonus of all management employees. 2021 was a challenging year with the negative impacts of severe wildfires and unprecedented flooding and washouts in Western Canada, yet CN successfully managed to demonstrate strong performance across nearly all key metrics. Consequently, the Company exceeded its pre-set financial performance objectives for 2021, resulting in a corporate financial bonus payout of 169% of target for NEOs. The table showing the 2021 Corporate Financial performance objectives, as approved by the Board in January 2021, and the 2021 results can be found on page 56.

The corporate safety component, which accounted for 10% of the annual incentive, is linked to the Company's safety performance and determined on the basis of Board approved targets for injuries and accidents. In 2021, CN's year-over-year injury frequency rate improved and target was exceeded, leading to a maximum payout opportunity for this metric, while the Company's performance on the accident rate did not meet the required threshold for this metric. As a result, the Board confirmed a payout of 100% of target for NEOs for the corporate safety component. The table showing the 2021 Corporate Safety performance objectives, as approved by the Board in January 2021, and the 2021 results can be found on page 56.

The remaining 20% of the annual incentive bonus was based on corporate strategic performance which was introduced in 2021 and consists of three quantitative strategic measures: fuel efficiency, employee engagement, and customer centricity. For 2021, the fuel efficiency results were above target, the customer centricity measures resulted in the maximum payout opportunity, and the results of the employee engagement measure did not achieve the required threshold. As a result, the Board confirmed a payout of 113.33% of target for NEOs for the corporate strategic component. The table showing the 2021 corporate strategic performance objectives, as approved by the Board in January 2021, and the 2021 results can be found on page 57.

The corporate financial, safety and strategic bonus factors served as the basis for calculating the annual incentive bonus payouts set out in the Summary Compensation Table on page 67. The overall bonus payouts for the NEOs were approximately 151% of the target bonus in 2021.

The individual performance of the NEOs continues to be monitored throughout the year even though their individual performance is no longer a factor in the determination of their AIBP.

2021 Long-Term Incentives (LTI)

In determining the appropriate fair value of LTIs granted to NEOs, the Committee considered external market data, and other factors such as individual performance, retention risk and succession plans, as well as the Company's compensation policy. The fair value of LTI grants for NEOs is determined with reference to the 60th percentile of the applicable comparator group.

To align with mid- and long-term business performance and shareholder value creation, LTIs consist of a combination of performance share units (PSUs) and stock options, respectively weighing 55% and 45% of the LTI fair value granted [(1)].

The payout of PSUs granted in 2021 to NEOs is subject to two distinct performance measures. Sixty percent (60%) of the PSUs awarded are subject to the achievement of targets related to CN's average Return on Invested Capital (PSU-ROIC) for the period ending on December 31, 2023 and to the attainment of a minimum average closing share price established at the beginning of the cycle. The remaining 40% are subject to CN's relative total shareholder return (PSU-TSR) measured against two comparator groups: (i) selected Class I railroads [(2)] and (ii) S&P/TSX 60 companies, in each case for the 20-day average ending on December 31, 2023.

The stock options granted in 2021 are conventional and vest over five years at a rate of 20% at each anniversary date. Stock options have a 10-year term.

The table summarizing the performance objectives and payout condition of the 2021 PSU award can be found on page 58.

2019 Performance Share Units Award Payout

The Committee reviewed the vesting of the 2019 PSU award against the performance targets for each measure: ROIC PSUs and Relative TSR PSUs.

ROIC PSUs: The Company achieved a three-year average PSU-ROIC to December 31, 2021 of 14.16%. In accordance with the plan rules and considering the achievement of the minimum average closing share price condition, a performance vesting factor of 82.8% (out of a maximum of 200%) was applied for the ROIC PSUs awarded in 2019.

Relative TSR PSUs: The Company delivered a TSR of 62.64% [(3)] over the period from January 1, 2019 to December 31, 2021, resulting in an overall performance vesting factor of 71.6% (out of a maximum of 200%), reflecting the weighted average performance vesting factor of both measures (0% for Class I railways and 143.1% for S&P/TSX 60).

PSUs were settled on February 28, 2022 in CN common shares purchased on the open market to encourage share ownership among participants, subject to compliance with the other conditions of the award agreements. The table illustrating the 2019 PSU performance objectives and results can be found on page 59.

Non-Compete, Non-Solicitation and Non-Disclosure

The railroad industry operates in a highly competitive market. In recent years, the Company has continued in its efforts to protect its interests and its confidential information. Accordingly, the Company's LTI award agreements, as well as its non-registered retirement plans, contain non-compete, non-solicitation, non-disclosure of confidential information and other restrictive covenants. Payouts under the LTI plans or the non-registered retirement plans are conditional upon current or former employees continuing to comply with these restrictive commitments for a period of two years following their termination of employment or retirement from the Company. Further details related to CN's non-compete and non-solicitation provisions are available on page 61.

Risk Mitigation in Our Compensation Program

The Company has a formalized compensation policy to guide compensation program design and decisions. Many of the characteristics inherent to the Company's executive compensation program encourage the appropriate behaviours, thus mitigating risks and aligning long-term results with shareholder interests. The following are examples of such characteristics:

- Appropriate balance between fixed and variable pay, as well as short- and long-term incentives;
- Multiple performance measures to be met or exceeded in the AIBP;
- Inclusion of a safety component in the AIBP;
- Inclusion of a strategic component in the AIBP, composed of ESG metrics;
- Capped incentive payout opportunities with no minimum guaranteed payout;
- The higher weighting on Relative TSR in the PSUs since 2020 strengthen alignment between executive pay and shareholders return;
- Cannot engage in hedging activity or in any form of transactions in publicly-traded options on CN Securities;
- Executive compensation clawback policy is in place and was amended in 2017 to allow the clawback of bonus or incentive-based compensation awarded after March 7, 2017 in circumstances of gross negligence, intentional misconduct, fraud, theft or embezzlement without the need for a financial restatement;
- Stock ownership guidelines apply to executives and senior management employees, including post-employment constraints for the President and CEO; and
- The Committee retains the services of an independent executive compensation consultant.

A complete list and description of these risk-mitigating features is available on pages 61 and 62.

In December 2021, following an annual review of the Company's compensation policy, programs and practices, Willis Towers Watson concluded again this year that "there does not appear to be significant risks arising from CN's compensation programs that are reasonably likely to have a material adverse effect on the Company". The Committee supports the conclusions of the risk assessment report from Willis Towers Watson and, in its own assessment, determined that proper risk mitigation features are in place within the Company's compensation program.

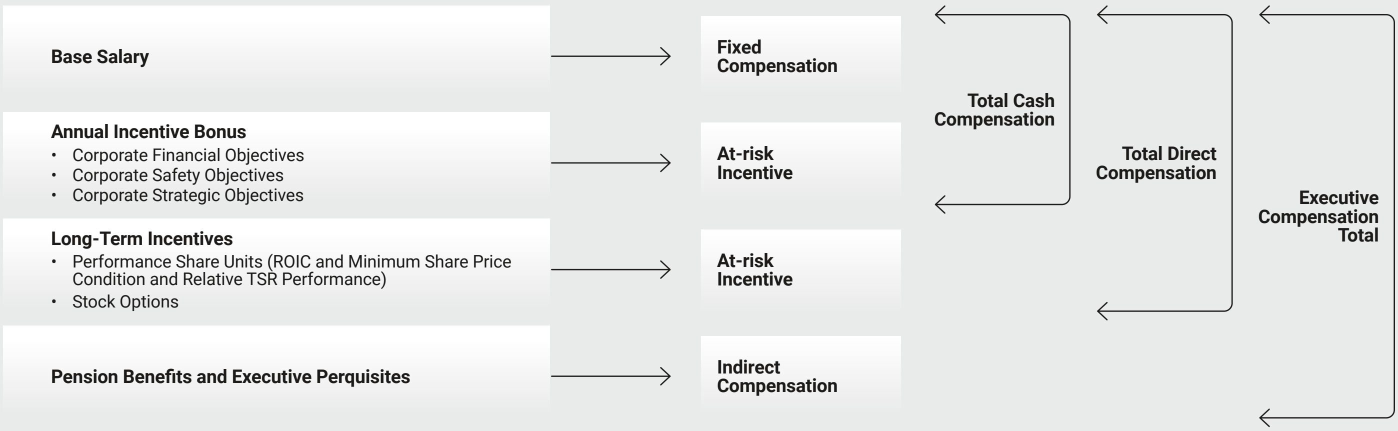
(1) The weighting of the 2021 long-term incentive grant value for the President and CEO was different (68% PSUs and 32% stock options) to reflect stock option distribution requirements which limit the number of stock options, as per the Management Long-Term Incentive Plan ("MLTIP") that may be awarded during any calendar year to any individual participant to a maximum of 20% of the stock options awarded in that year.

(2) The Class I railways comparator group consists of Union Pacific Corporation, CSX Corporation, Norfolk Southern Corporation and Canadian Pacific Railway Limited.

(3) Relative TSR performance is calculated using the CNR 20-day share price average immediately prior to January 1, 2019 (including dividend reinvestment) and the CNR 20-day share price average for the period ending on December 31, 2021 (including dividend reinvestment). The same calculation is used for each company part of the comparator groups.

Executive Compensation Policy Objectives

The Company's executive compensation policy and programs are designed to ensure that there is a clear link between the Company's long-term strategy, its business plan and executive rewards, thus encouraging appropriate behaviour. Executive incentive compensation is, as a result, tied to key corporate objectives that play a critical role in driving the organization's short- and long-term profitability and return to shareholders. The executive compensation program is also designed to be competitive in order to attract, retain and motivate outstanding executive talent while providing for appropriate risk control features.



The executive compensation program is comprised of five elements: (i) base salary; (ii) annual incentive bonus; (iii) long-term incentives; (iv) retirement benefits; and (v) executive perquisites. The combination of base salary, annual incentive bonus and long-term incentives defines the total direct compensation offering, which is weighted towards variable, "pay-for-performance" elements.

Compensation Policy

The Company's Executive Compensation Policy

The executive compensation policy aims to incentivize executives to create and deliver sustainable returns to shareholders while targeting total direct compensation between the median and 60th percentile of the executives' respective comparator groups. Base salaries and target annual bonuses are set with reference to the median level of the respective comparator group, whereas the grant date fair value of LTI is set with reference to the 60th percentile. The Committee believes that the compensation policy and its principles provide for competitive and reasonable compensation levels.

Compensation Decisions and Process

The compensation is determined as part of an annual process followed by the Committee and outlined in the chart below:

Step 1 – September to January

- Business plan review and approval by the Board
- Definition of performance criteria and targets based on the business plan

Step 2 – December

- Annual review of risk and assessment of risk mitigation features
- Evaluation of the individual performance assessment for the NEOs
- Review of compensation benchmark, and pay positioning

Step 3 – January

- Review of annual and LTI payouts for the prior year
- Review of compensation programs and annual compensation adjustments
- Review of new annual targets and LTI awards and performance-vesting conditions
- Stress-testing of incentive grants

Step 4 – March to October

- Monitoring and evaluation of progress and performance of compensation programs

The Committee reviews benchmark information in December each year and approves compensation adjustments in January of the following year by taking into consideration comparator group practices, individual performance, leadership abilities, succession planning, retention considerations and economic outlook. For 2022 and onward, the Committee reviewed benchmark information in January while reviewing compensation adjustments for the coming year.

The Committee reviews and recommends for approval by the Board the performance targets related to both the AIBP and the PSUs in January. Aside from the Relative TSR targets, the financial targets are derived from CN's annual business plan, which is prepared by management and reviewed and approved by the Board. Business planning is an extensive process during which management examines with the Board the economic, business, regulatory and competitive conditions that affect or can be expected to affect CN's business in the following three-year period. Throughout the year, members of the Committee are provided with updates related to the Company's performance against targets.

The Board and Committee also have access to executive management throughout the year, should they wish to discuss specific business issues or seek clarification. The Board and Committee are, therefore, confident they have detailed visibility of the Company's financial performance and are appropriately equipped to recommend executive compensation decisions. Finally, throughout the annual executive compensation review process, the Committee also receives and considers advice from its independent compensation consultant, Hugessen.

The annual grant of PSUs and stock options to NEOs and other eligible employees is reviewed and approved by the Board in January for the current year. In determining the appropriate LTI fair value granted to each NEO, the Committee considered external market data, as discussed in the "Benchmarking Using Comparator Groups" section on the following page, as well as other factors such as individual performance, leadership, and talent retention.

Benchmarking Using Comparator Groups

The median and 60th percentile competitive pay levels are determined using comparator groups, which have been carefully reviewed and endorsed by the Committee as being appropriate for the level and nature of the benchmarked positions. In determining compensation for the President and CEO and the NEOs, the Company considers a comparator group of North American companies comprised of the following Class I Railroads: Union Pacific Corporation, CSX Corporation, Norfolk Southern Corporation, and Canadian Pacific Railway Limited.

These companies are similar in terms of industry and complexity, including size, revenue, capital investment, and market capitalization and directly compete with CN for key talent. Furthermore, half of CN's Relative TSR performance indicator for the PSUs is measured against the same comparator group (please refer to page 58 for a description of the plan).

The following table shows CN's positioning relative to the primary comparator group for the President and CEO and the NEOs as at December 31, 2021.

COMPARATOR GROUP	REVENUE (MILLIONS)	NET INCOME (MILLIONS)	MARKET CAPITALIZATION (MILLIONS)	AVERAGE NUMBER OF EMPLOYEES
Union Pacific Corporation	U.S.$21,804	U.S.$6,523	U.S.$160,943	29,905
CSX Corporation	U.S.$12,522	U.S.$3,781	U.S.$82,795	19,889
Norfolk Southern Corporation	U.S.$11,142	U.S.$3,005	U.S.$71,499	18,370
Canadian Pacific Railway, Limited	C$7,995	C$2,852	C$84,584	12,337
AVERAGE (1)	C$16,247	C$4,884	C$120,737	20,125
Canadian National Railway Company	C$14,477	C$4,892	C$108,906	24,084
RANK (1)	3	2	2	2

(1) Values as at December 31, 2021 for the comparator group were converted into Canadian dollars using the average exchange rate for 2021of U.S.$1.00 = C$1.2535, except for the market capitalization where the December 31, 2021 exchange rate of U.S.$1.00 = C$1.2637 was used.

The comparator group used for the benchmarking of compensation for all executives other than the President and CEO and the NEOs is a broad sample of comparably sized U.S. industrial organizations with revenues between U.S.$6 billion and U.S.$15 billion that participate in Willis Towers Watson's proprietary database. For executives in group or division level positions, a complete sample of the U.S. industrial organizations is used, with revenue ranges aligned to reflect the scope of the role of the respective CN executive. The Committee also considers data from this sample for the President and CEO and the Executive Vice-Presidents for purposes of verifying the alignment with general compensation trends, but not for direct benchmarking purposes, given the direct comparability of the above-mentioned Class I railroads.

Components of the 2021 Executive Compensation Program

The following table summarizes the components of the Company's executive compensation program, which is driven by the executive compensation policy and weighted towards variable, "pay-for-performance" elements. Each component is then further detailed in this section.

COMPONENT AND FORM	2021 DESIGN SUMMARY	OPPORTUNITY	RISK-MITIGATING ELEMENTS	OBJECTIVES AND RATIONALE
Base Salary Cash	Fixed rate of pay Individual salary recommendations based on competitive assessment and economic outlook, leadership, retention and succession considerations	Set with reference to median of respective comparator group	Provides for a balanced mix of pay components (fixed vs. variable) Use of external advisor and peer group analysis	Provides competitive level of fixed compensation Recognizes sustained individual performance Reflects role and responsibility and/or growth in role
Annual Incentive Bonus Cash-based performance pay	Annual awards based 100% on Company achievement of three pre-determined corporate financial performance objectives (70%), two pre-determined corporate safety performance objectives (10%) and three pre-determined corporate strategic performance objectives (20%) Performance period: 1 year	Target is 140% of base salary for the President and CEO and 80% for the other NEOs. Maximum payout is limited to 2.0 times the target	Use of multiple performance measures Plan targets reviewed and approved annually based on in-depth review of annual business plan Payout trigger based on corporate performance Increased diversification with the safety and strategic component Payouts are capped No guaranteed minimum payout Payouts subject to a clawback policy Payouts for executives and senior management employees are subject to a three-month notice period in the year of retirement	Reward the achievement of pre-set annual corporate financial performance objectives Reward the achievement of pre-set annual corporate safety performance objectives Reward the achievement of pre-set annual corporate strategic performance objectives Drive superior corporate financial, safety and strategic performance

COMPONENT AND FORM	2021 DESIGN SUMMARY	OPPORTUNITY	RISK-MITIGATING ELEMENTS	OBJECTIVES AND RATIONALE
Long-Term Incentives Performance-based share units payable in equity, purchased in the market	**PERFORMANCE SHARE UNITS (55% of long-term incentives)** 60% of the PSU value is subject to the attainment of three-year average PSU-ROIC targets and to the attainment of a minimum average closing share price established at the beginning of the cycle 40% of the PSU value is subject to CN's relative performance against selected Class I Railroads and S&P/TSX 60 companies In the case of retirement, employees must remain in active and continuous service until March 31 of the year following the year in which the grant was made to be eligible for payout Performance period: Three years	Long-term incentive grant date fair value determined with reference to the 60th percentile of the applicable comparator group PSU performance vesting factor capped at 200%	Significant weighting towards long-term incentive compensation Overlapping multi-year performance periods Mix of financial, market and relative performance measures PSU payouts are capped and there is no minimum guaranteed payout Payouts subject to a clawback policy Payouts subject to non-compete provisions	Align management interests with shareholder value growth and total return relative to comparable groups Reward the achievement of sustained financial performance and creation of shareholder value Contribute to retention of key talent Recognize individual contribution and potential Increased alignment with Total Shareholder Return
Stock options	**STOCK OPTIONS (45% of long-term incentives)** (1) Conventional stock options that vest over five years at a rate of 20% per year In the case of retirement, employees must remain in active and continuous service until the last day of the year in which the grant was made to be eligible for payout Performance period: Five-year ratable vesting, ten-year term			
Pension Benefits Cash payments following retirement	**CANADIAN PENSION PLANS** Defined Benefit Plan (2): Benefits payable calculated as a percentage of the highest five-year average earnings multiplied by pensionable service Pensionable service period for most defined benefit plans: Maximum of 35 years Defined Contribution Plan (3): Benefits based on the participant's required and optional contributions and on Company-matched contributions Non-registered plans: Supplement to the registered plans and provide benefits in excess of the *Canadian Income Tax Act* limits	Non-registered plans restricted to executives and senior management employees Most retirement benefits for executives and senior management employees are calculated using base salary and annual bonus (up to target levels)	The COO and the CITO participate in a Defined Contribution Plan, which limits CN's exposure to risk Payouts subject to non-compete for non-registered plans	Provide an effective and attractive executive compensation program
	U.S. PENSION PLANS Defined Benefit Plan (3): Benefits payable calculated as a percentage of the highest five-year average earnings (out of the last 10 years) multiplied by credited service Maximum of 35 years of credited service for most defined benefit plans Savings Plan: 401(k) benefits based on the participant's voluntary contributions and 50% matching by the Company, limited to 3% of base pay Defined Contribution Feature (3): Additional benefits included in the Savings Plan based on Company contributions equal to 3.5% of base pay Non-registered plans: Supplement to the registered plans and provide benefits in excess of Internal Revenue Service (IRS) and Railroad Retirement Board limits			
Executive Perquisites Non-cash perquisites	Healthcare and life insurance benefits, annual physical exam, club membership, company-leased vehicle, parking, financial counselling and tax services	Competitive		Use of corporate aircraft restricted to business-related purposes

(1) The weighting of the 2021 long-term incentive grant value for the President and CEO was different (68% PSUs and 32% stock options) to reflect stock option distribution requirements which limit the number of stock options, as per the MLTIP that may be awarded during any calendar year to any individual participant to a maximum of 20% of the stock options awarded in that year.

(2) Applies to employees hired prior to 2006. Effective on March 31, 2024, CN's defined benefit plans will be frozen. Accumulation of pensionable service and increases in pensionable earning will not be included in the calculation of defined benefit pension after that date.

(3) Applies to employees hired after 2005 or who have elected to convert from a defined benefit plan.

Base Salary

The Committee normally reviews the base salaries of executives in January each year, by taking into consideration median comparator group practices, economic outlooks, leadership abilities, retention considerations, and succession plans. The base salaries of the President and CEO and the NEOs are paid in U.S. dollars to provide a more precise, meaningful and stable comparison with U.S.-denominated salaries of incumbents in equivalent positions within the comparator group.

Annual Incentive Bonus Plan (AIBP)

In addition to the NEOs, approximately 4,600 active management employees are eligible to participate in an annual performance-based bonus plan. Under the Company's AIBP, minimum, target and maximum payouts, expressed as a percentage (%) of base salary, are as follows for the President and CEO, Executive Vice-Presidents, Senior Vice-Presidents and Vice-Presidents:

POSITION	MINIMUM	TARGET (1)	MAXIMUM (1)
President and CEO	0%	140%	280%
Executive Vice-Presidents	0%	80%	160%
Senior Vice-Presidents	0%	65%	130%
Vice-Presidents	0%	50/60%	100/120%

(1) As a percentage of base salary as at December 31, 2021.

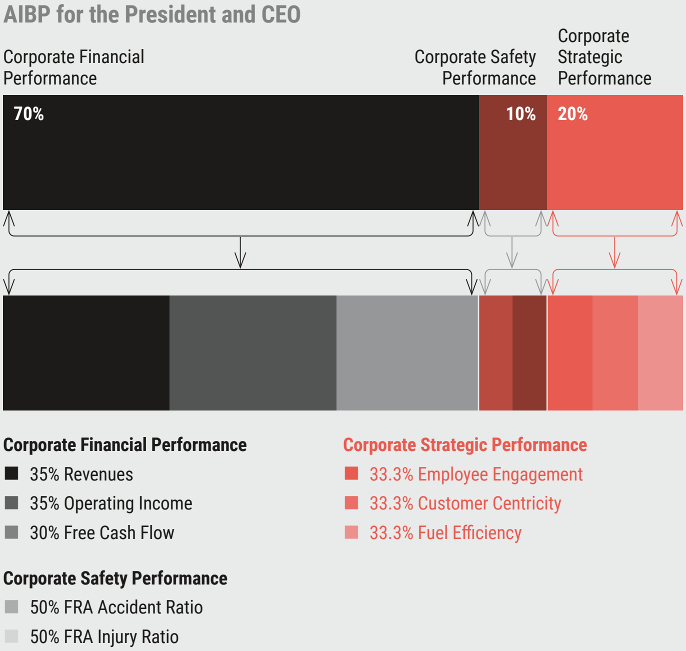
In 2021, the AIBP was amended to further align the plan with the long-term strategic vision of the Company and ESG best practices as well as to support employee engagement on safety and strategic initiatives:

- The individual component for executives and senior management employees was replaced with the corporate strategic component consisting of three quantitative strategic measures: fuel efficiency, employee engagement and customer centricity.
- The corporate safety component was extended to all management employees.
- The downward adjustment to the corporate safety component and corporate strategic component should the corporate financial component be below 100% was discontinued.

Consequently, the bonus payout received under the AIBP in 2021 for executives depended on the achievement of corporate financial (70%), corporate safety (10%), and corporate strategic (20%) objectives. This design reflects the Company's view that any short-term incentive should be tied to the overall financial and operational performance of the Company as well as to relevant corporate strategic metrics for the business.

The following illustrates the 2021 AIBP for the President and CEO:

AIBP for the President and CEO



Under the terms of the AIBP, the performance factors for executives and senior management employees, which are applied to the annual target bonus payout, can range from 0% to 200% depending on the results compared to the pre-established objectives, as illustrated in the table below.

AIBP COMPONENT	BELOW THRESHOLD	THRESHOLD	TARGET	MAXIMUM
Corporate Financial Component Achievement (1)	0%	50%	100%	200%
Corporate Safety Component Achievement (1)	0%	50%	100%	200%
Corporate Strategic Component Achievement (1)	0%	50%	100%	200%

(1) Interpolation between points.

The 2021 AIBP was comprised of the following components:

1. Corporate Financial Performance:

70% of the bonus was linked to Company performance against a balanced set of three measures that directly contribute to the Company's long-term financial growth and profitability. The Committee ensures that performance targets and conditions are directly aligned with the achievement of the Company's corporate objectives as set out in the Company's business plan, which is reviewed and approved by the Board. These corporate objectives are taken into account in establishing the Company's targets under the AIBP. In addition, in setting the AIBP targets for the upcoming year, the Company generally excludes items from the prior year that did not necessarily arise as part of the normal business of the Company, which can impact the comparability of the Company's year-over-year financial performance and the Company's current year targets in relation to the prior year's results.

In 2021, the Board assessed the Company's corporate financial performance for 2021 against targets for revenues, adjusted operating income, and free cash flow. These measures were selected because they are quantifiable measures that play an important role in driving the organization's profitability and return to shareholders. Additionally, the Board is of the view that its chosen corporate objectives are appropriate for a capital-intensive business such as CN. The 2021 targets were approved by the Board in January 2021 based on the Company's business and financial outlook at that time.

Performance Objectives and Results – 2021 Annual Incentive Bonus Plan

In January 2021, the performance targets were set assuming an exchange rate of U.S.$1.00 = C$1.3404. During the year, the actual average exchange rate was at U.S.$1.00 = C$1.2535. At the end of 2021, AIBP targets under the corporate financial component were adjusted, as per plan, to take into consideration the foreign exchange and, in the case of revenues, the difference between actual and forecasted oil and diesel prices with respect to the Company's fuel surcharges.

The following table compares the 2021 adjusted performance targets with the actual 2021 results as reported by the Company and adjusted.

Corporate Financial Performance Objectives and Results–2021 Annual Incentive Bonus Plan

		CORPORATE OBJECTIVES AS OF JANUARY 1, 2021 (1)			CORPORATE OBJECTIVES AS ADJUSTED (2)(3)				
IN MILLIONS	WEIGHT	THRESHOLD (C$)	TARGET (C$)	MAXIMUM (C$)	THRESHOLD (C$)	TARGET (C$)	MAXIMUM (C$)	RESULTS 2021 (2) (C$)	WEIGHTED PERFORMANCE FACTOR
Revenues	35%	14,070	14,590	14,940	13,917	14,437	14,787	14,477	111.43%
Adjusted Operating Income (4)	35%	5,420	5,580	5,780	5,156	5,316	5,516	5,622	200.00%
Free Cash Flow (4)	30%	2,980	3,070	3,344	2,699	2,789	3,063	3,296	200.00%
Overall Performance Factor									169.00%

(1) Corporate objectives assume an average exchange rate of U.S.$1.00 = C$1.3404.

(2) Corporate objectives and results reflect an actual average exchange rate of U.S.$1.00 = C$1.2535.

(3) Revenue target has been adjusted to reflect actual fuel surcharges invoiced to clients based on actual oil and diesel prices in 2021.

(4) These non-GAAP measure do not have any standardized meaning prescribed by GAAP and therefore, may not be comparable to similar measures presented by other companies. For adjusted operating income, see the section entitled "Adjusted performance measures" and for free cash flow, see the section entitled "Liquidity and capital resources – Free cash flow" in the December 31, 2021 MD&A filed on February 1, 2022, which are incorporated by reference herein. The MD&A may be found online on SEDAR at **www.sedar.com**, on the SEC's website at **www.sec.gov** through EDGAR, and on the Company's website at **www.cn.ca** in the Investors section.

For 2021, the Company exceeded the target on all three objectives, resulting in an overall payout of 169.00% of target for the financial corporate component.

2. Corporate Safety Performance:

10% of the annual bonus was linked to the Company's safety performance. In 2021, the Board assessed the Company's corporate safety performance against two safety performance measures with equal weighting: accident rate and injury frequency rate.

Corporate Safety Performance Objectives and Results – 2021 Annual Incentive Bonus Plan

	SAFETY OBJECTIVES AS OF JANUARY 1, 2021					
	WEIGHT	THRESHOLD	TARGET	MAXIMUM	RESULTS 2021 (2)	WEIGHTED PERFORMANCE FACTOR
Accident Rate (1) (per million of train miles)	50%	1.74	1.69	1.64	1.82	0.00%
Injury Frequency Rate (1) (per 200,000 person hours)	50%	1.69	1.60	1.40	1.33	200.00%
Overall Performance Factor						100.00%

(1) Based on Federal Railroad Administration (FRA) reporting criteria.

(2) Results as at December 31, 2021.Safety indicators are unaudited and based on estimated data available at such time and are subject to change as more complete information becomes available. A review of the 2021 results of the two safety measures was conducted by Internal Audit.

CN has an uncompromising commitment to the health and safety of its employees, the customers it serves, and the communities and environments in which we operate. CN's culture and commitment to safety is underpinned by our programs, practices, and efforts to continuously improve training, leadership, and technology. CN remains committed to improving its accident and injury frequency rates (aligned to Federal Railroad Administration ("FRA") reporting criteria). CN will continue to train its people, build its infrastructure, and renew its technology toward its goal of being the safest railroad in North America. New technologies such as autonomous track inspection cars and automated train inspection portals are increasing inspection frequency and quality and are playing an essential role in improving safety. CN is enhancing its strong safety culture with its successful Looking Out for Each Other peer-to-peer engagement program, which urges team members to work together, be vigilant about safety and to speak up if they spot an unsafe situation, as well as ensuring strict adherence to Life Critical Rules, which address the day-to-day activities that have the potential to cause serious harm or loss of life. CN's safety performance aspirations are anchored on the fundamental belief that all injuries and accidents are preventable.

For 2021, after considering the operational results against established safety targets, the Board confirmed a payout of 100.00% of target for the Corporate Safety component of the AIBP.

3. Corporate Strategic Performance:

Effective January 1, 2021, 20% of the bonus for NEOs was based on corporate strategic objectives, replacing the individual performance factor used in prior years, to align with the long-term strategic vision of the Company as well as its ESG priorities.

In 2021, the corporate strategic objectives included three quantitative strategic measures: fuel efficiency, employee engagement and customer centricity, each weighing 6.67% of the overall bonus target. A review of the 2021 results of the three corporate strategic measures was conducted by Internal Audit.

- Environmental leadership is measured through improvement of fuel efficiency (US gallons of locomotive fuel consumed per 1,000 gross ton miles (GTMs)).
- Employee engagement is measured through the annual engagement survey which is outsourced to a third-party company who manage the survey for governance purposes and data integrity.
- Customer centricity is measured through Net Promoter Score, which is based on the average of three surveys sent to CN's customers during the year.

	STRATEGIC OBJECTIVES AS OF JANUARY 1, 2021					
	WEIGHT	THRESHOLD	TARGET	MAXIMUM	RESULTS 2021 [2]	WEIGHTED PERFORMANCE FACTOR
Fuel Efficiency (Improvement) [1]	33.33%	0.885 (1%)	0.881 (1.5%)	0.876 (2%)	0.879 (1.7%)	140.00%
Employee Engagement (Improvement) [1]	33.33%	3.5%	5.3%	8.8%	Below 3.5%	0.00%
Customer Centricity	33.33%	–	–	–	–	200.00%
Overall Performance Factor						113.33%

(1) Objectives for Fuel Efficiency and Employee Engagement metrics presented as year-over-year improvement compared to 2020 actual results.

(2) Strategic measures are unaudited and based on estimated data available at such time and are subject to change as more complete information becomes available. A review of the 2021 results of the three corporate strategic measures was conducted by Internal Audit. Fuel Efficiency results for 2021 reflect adjustments made (from 0.867 to 0.879) since the results published in the December 31, 2021 MD&A filed on February 1, 2022.

The Company is not providing the quantified targets and results of the Employee Engagement measure (other than percentage improvement targets) and the Customer Centricity measure, as the targets and results for these measures contain confidential and commercially sensitive information. The Customer Centricity measure is highly sensitive in nature as it relates to the Company's relationship with its customers. As such, detailed disclosure of this metric would seriously prejudice the Company in the competitive market in which it operates, as it contains information that could be valuable to its competitors. Similarly, the employee engagement measure is derived from confidential information and the disclosure of the quantified target and result thereof would be detrimental to the Company's business and employee relations. The targets related to these two performance measures are intended to be challenging – neither impossible nor easy to achieve, in line with CN's disciplined approach to compensation. The percentage of total bonus target attributable to the Employee Engagement measure and the Customer Centricity measure for 2021 is 13.34%, while the percentage of total compensation related to the employee engagement measure and the customer centricity measure of the corporate strategic component of AIBP for 2021 is 1.5% for Mr. Ruest, 2.5% for Mr. Houle, 1.9% for Mr. Reilly, 2.1% for Mr. Finn and 2.2% for Mr. Malenfant.

For 2021, the fuel efficiency results were above target, the customer centricity measures resulted in the maximum payout opportunity, and the results of the employee engagement measure did not achieve the required threshold. After considering the results against established corporate strategic targets, the Board confirmed a payout of 113.33% of target for the Corporate Strategic component of the AIBP for NEOs.

The following formula illustrates how an eligible executive employee's annual base salary (as at December 31, 2021), target payout (expressed as a percentage of base salary), corporate financial, corporate safety and corporate strategic performance factors interact in the determination of the actual annual bonus payout:

Annual Bonus Payout Formula

Corporate Financial Performance

ANNUAL BASE SALARY X TARGET PAYOUT X **70%** X CORPORATE FINANCIAL PERFORMANCE FACTOR

+

Corporate Safety Performance

ANNUAL BASE SALARY X TARGET PAYOUT X **10%** X CORPORATE SAFETY PERFORMANCE FACTOR

+

Corporate Strategic Performance

ANNUAL BASE SALARY X TARGET PAYOUT X **20%** X CORPORATE STRATEGIC PERFORMANCE FACTOR

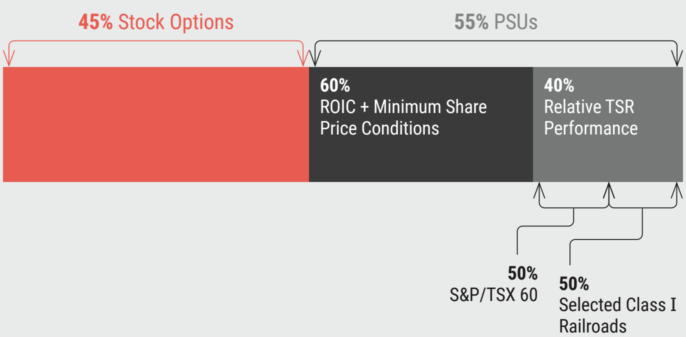
The average bonus payout for the NEOs, (consisting of the corporate financial performance factor, the corporate safety performance factor, and the corporate strategic performance factor) was 151% of target bonus in 2021. The actual payouts are reported in the Summary Compensation Table on page 67, under the column "Non-equity incentive plan compensation — Annual incentive plans".

Long-Term Incentives

The Board considers several factors to assess the Company's LTI strategy, including the balance between long-term value creation and shareholder wealth protection, executive stock ownership position versus stock option holdings, executive retention risk, as well as the dilution impact of different LTI vehicles. Since 2005, the Board has elected to grant a combination of stock options and PSUs to NEOs, executives and senior management employees.

LTI values disclosed in the Summary Compensation Table on page 67 are calculated using the Willis Towers Watson expected life binomial methodology. The same valuation methodology is used for benchmark and grant purposes, ensuring consistency. This valuation methodology provides for precise and comparable compensation information. The Company uses a rolling three-year valuation factor to limit year-over-year fluctuations of the valuation factor for both stock options and PSUs.

PSUs and stock options are weighted 55% and 45% of the long-term incentive award value, respectively, except for the President and CEO position. The long-term award for the President and CEO has a smaller relative weight in stock option value, due to the 20% limitation on the number of stock options that can be awarded to any one individual in a particular year, pursuant to the terms of the Management Long-Term Incentive Plan ("MLTIP") (please refer to page 73 for a description of the MLTIP).



The annual grant of PSUs and stock options to NEOs and other eligible employees is reviewed and approved at the meetings of the Committee and the Board, which occur each year in January. To determine each NEO's LTI award, the Committee takes into consideration individual performance, retention risk and succession plans, as well as the Company's compensation policy and the value of LTIs granted by the applicable comparator group (please refer to section "Benchmarking Using Comparator Groups" on page 53). The Committee does not consider previous executive grants when setting the individual awards, as the LTI plans are inherently performance-based. The Board may also, at its discretion, approve additional grants of PSUs and stock options to NEOs during the year.

The exercise price of the stock options granted is equal to the closing price of the Company's common shares on the TSX or the NYSE on the grant date.

A minimum active service condition exists for stock options and PSUs to support the retention of key talent approaching retirement. An employee must remain in active service until December 31 of the year of the grant for stock options and until March 31 of the year following the year of grant for PSUs. Should an executive, including NEOs, or other management employees retire prior to the end of the minimum service condition in the award agreement, PSUs and stock options awarded pursuant to that agreement would be forfeited.

Performance Share Units: 2021 Award

The objective of the PSUs is to enhance the Company's ability to attract and retain talented employees and to provide alignment of interests between such employees and the shareholders of the Company.

PSUs vest after three years and the grant date fair value of the PSUs awarded to each NEO in 2021 is included in the Summary Compensation Table on page 67, under the Share-Based Awards column. The vesting of PSUs is subject to the achievement of performance measures defined at the beginning of the cycle and the payout can range from 0% to 200%. At the end of the performance cycle, the number of PSUs will be adjusted based on the achievement of the performance conditions detailed below. PSUs will be settled in CN common shares purchased on the open market.

PSUs awarded in 2021 are subject to the following two performance measures:

1. ROIC PSUs

Sixty percent (60%) of the PSU award value is subject to the achievement of a target related to the Company's average three-year PSU-ROIC over the plan period and the payment will be conditional upon meeting a minimum average closing share price during the last three months of 2023. The PSU-ROIC for each of the applicable plan years is generally calculated as net income before interest expense, divided by the total of the Company's average net indebtedness and the average shareholders' equity, and may, in certain instances, be adjusted for certain items as determined by the Committee. ROIC measures the Company's efficiency in the use of its capital funds and is viewed as a key measure of long-term value generation to its shareholders. PSU-ROIC performance objectives are based on CN's business plan. The 2021 PSU-ROIC objective considers the increased capital investments recently deployed to increase capacity and enable growth, such as track infrastructure expansion and investment in technology to improve safety performance, operational efficiency and customer service. The above, combined with the cumulative impact of prior years earnings and the average investment base, resulted in a reduction of the expected average PSU-ROIC for the three-year period ending on December 31, 2023.

ROIC PSUs granted in 2021 to NEOs and other designated employees are subject to the attainment of the performance measures presented in the table below:

ROIC PSUs performance measure

	OBJECTIVE	PERFORMANCE VESTING FACTOR (1)
PERFORMANCE OBJECTIVE:	15.6% and above	200%
Average PSU-ROIC for the three-year period ending on December 31, 2023	13.8%	100%
	12.0%	50%
	Below 12.0%	0
PAYOUT CONDITION: Minimum average closing share price (2) for the last three months of 2023	C$140.07 on the TSX or U.S.$109.66 on the NYSE	

(1) Interpolation applies between objectives.
(2) Minimum share price condition for the 2021 award established as the average closing share price for the 20-day period ending on December 31, 2020.

2. Relative TSR PSUs

Forty percent (40%) of the PSU award value is subject to CN's Relative TSR measured against two equally-weighted comparator groups: (i) selected Class I railroads, and (ii) S&P/TSX 60 companies. Relative TSR performance measures CN's share price appreciation, inclusive of dividends, over the three-year plan period against the companies within each comparator group.

Relative TSR PSUs awarded in 2021 to NEOs and other designated employees are subject to the attainment of the performance measures presented in the tables below:

TSR relative to S&P/TSX 60

CNR	PAYOUT (1)
75th Percentile and above	200%
50th Percentile	100%
25th Percentile	50%
Less than the 25th Percentile	0%

TSR relative to Selected Class I railways (2)

CNR	PAYOUT
1st	200%
2nd	150%
3rd	100%
4th	50%
5th	0%

(1) Interpolation between points.

(2) The Class I railways comparator group consists of Union Pacific Corporation, CSX Corporation, Norfolk Southern Corporation and Canadian Pacific Railway Limited.

The grant date fair value of the PSUs awarded to each NEO in 2021 is included in the Summary Compensation Table on page 67, under the "Share-Based Awards" column.

Performance Share Units: 2019 Award Payout

The Committee reviewed the vesting of the 2019 PSU award against the performance targets for each measure: ROIC PSUs and Relative TSR PSUs.

ROIC PSUs: The Company achieved a three-year average PSU-ROIC to December 31, 2021, of 14.16%. In accordance with the plan rules and considering the achievement of the minimum average closing share price condition, a performance vesting factor of 82.8% was applied for the ROIC PSUs awarded in 2019.

Relative TSR PSUs: The Company delivered a TSR of 62.64% over the period from January 1, 2019 to December 31, 2021, resulting in an overall performance vesting factor of 71.6%, reflecting the weighted average performance vesting factor of both measures (0% for Class I railways and 143.1% for S&P/TSX 60).

PSUs were settled on February 28, 2022 in CN common shares purchased on the open market to encourage share ownership among participants, subject to compliance with the other conditions of the award agreements.

Performance Objectives and Results – Performance Share Units – 2019 Award

ROIC PSUs – 70% of the grant value:

	OBJECTIVE	PERFORMANCE VESTING FACTOR (1)	RESULTS
PERFORMANCE OBJECTIVE:	17.0% and above	200%	14.16% (2) translating into a payout factor of 82.8%
Average PSU-ROIC for the three-year period ended on December 31, 2021	16.5%	150%	
	16.0%	125%	
	14.5%	100%	
	13.5%	50%	
	Below 13.5%	0%	
PAYOUT CONDITION: Minimum average closing share price for the last three months of 2021	C$104.19 on the TSX or U.S.$77.08 on the NYSE		C$160.03 U.S.$126.70

(1) Interpolation applies between objectives.

(2) Adjusted in 2021 to exclude the recovery on assets held for sale and KCS-related items (termination fees, M&A costs and bridge financing).

Relative TSR PSUs – 30% of the grant value:

TSR relative to S&P/TSX 60 (15% of the grant value)

CNR	PAYOUT (1)	RESULTS
75th Percentile and above	200%	62.64 (2) TSR resulting in the 60.78th percentile and translating into a payout factor of 143.1%
50th Percentile	100%	
25th Percentile	50%	
Less than the 25th Percentile	0%	

(1) Interpolation applies between objectives.

(2) TSR performance is calculated using CNR 20-day share price average immediately prior to January 1, 2019 (including dividend reinvestment) and CNR 20-day share price average ending on December 31, 2021 (including dividend reinvestment). The same calculation is used for each company part of the comparator groups.

TSR relative to selected Class I Railways (15% of the grant value)

CNR	PAYOUT	RESULTS
1st	200%	62.64% (1) TSR resulting in the 5th place ranking and translating into a payout factor of 0%
2nd	150%	
3rd	100%	
4th	50%	
5th	0%	

(1) TSR performance is calculated using CNR 20-day share price average immediately prior to January 1, 2019 (including dividend reinvestment) and CNR 20-day share price average ending on December 31, 2021 (including dividend reinvestment). The same calculation is used for each company part of the comparator groups.

The value vested during the year for each NEO is included in the table "Incentive Plan Awards — Value Vested or Earned During the Year", and under the "Share-Based Awards — Value Vested During the Year" column on page 72.

Stock Options

Stock options were granted in 2021 to NEOs and other designated employees pursuant to the MLTIP. Please refer to page 73 for details of the MLTIP. The stock options granted in 2021 vest over five years at a rate of 20% at each anniversary date and have a 10-year term. Grants were made in the currency of the recipient's salary.

Stock options are granted with the objective of rewarding NEOs and other designated employees for creating sustainable, long-term shareholder value. If the share price increases between the grant date and the vesting date, stock options will have a realizable value. Gains are realized once the stock options are exercised. The gain will be equivalent to the difference between the share price on the date of exercise and the grant date share price, multiplied by the number of stock options exercised.

The grant date fair value of the stock options awarded to NEOs in 2021 is included in the Summary Compensation Table on page 67, under the "Option-Based Awards" column.

Executive Perquisites

NEOs are eligible to receive perquisites and personal benefits in accordance with the Company's policy and in line with general market practice. These typically include the use of a Company-leased vehicle, parking, financial counselling and tax services, club membership, certain healthcare benefits and life insurance, and an annual executive physical exam. Other executives and senior management employees are also eligible to receive select perquisites; the type and value of the perquisites are generally determined by the grade of the employee's position. All executives must comply with the aircraft utilization policy, which restricts the usage of the corporate aircraft to business-related purposes only, save for exceptional circumstances and provided all incremental costs are fully reimbursed.

Employee Share Investment Plan

The Employee Share Investment Plan ("ESIP"), available to all Company employees, provides the opportunity to participate in CN's ownership through the purchase of CN common shares on the open market via payroll deductions. Employees may contribute between 1% and 10% of their gross base salary to the ESIP every pay period. The Company provides a 35% match on the first 6% of employee contributions. Since January 1, 2019, Company contributions to the ESIP are subject to a one-year vesting period and are forfeited should certain participant contributions be sold or disposed of prior to vesting. Over 84% of CN's employees are shareholders of the Company through participation in the ESIP, and in 2021, all NEOs participated in the ESIP.

The value of the Company match received by NEOs in 2021 under the ESIP is indicated in the "Details of All Other Compensation Amounts" table on page 70.

Other Key Compensation Programs of the Company

Stock Ownership

The Committee strongly supports stock ownership by executives and senior management employees to strengthen the alignment of their interests with those of long-term stockholders. Stock ownership guidelines require a minimum level of stock ownership, set as a multiple of base salary, to be achieved within a five-year period (or a seven-year period for the lower level of senior management employees) to align the interests of executives with those of shareholders. As at December 31, 2021, 171 executives and senior management employees were subject to share ownership guidelines. Once executives and senior management employees have met their initial shareholding requirements, they are required to maintain compliance, which is reported annually to the Committee. Stock ownership guidelines can be met through the holding of common shares and vested deferred share units under the Company's Voluntary Incentive Deferral Plan ("VIDP"). Stock options (vested or unvested) and unvested LTI grants are not considered towards the minimum level of stock ownership.

The Company believes its senior leaders have a very significant impact on CN's financial and operational results as well as its long-term growth.

	GUIDELINES
President and CEO	8 times base salary
Executive Vice-Presidents	5 times base salary
Senior Vice-Presidents	4 times base salary
Vice-Presidents	2 to 2.5 times base salary
Senior Management	1.5 times base salary

The President and CEO is also required to maintain the stock ownership guideline level until one year after cessation of employment. As at December 31, 2021, all NEOs achieved their share ownership requirements, with the exception of Mr. Reilly and Mr. Malenfant who were hired in June 2019 and in September 2020, respectively and have a five-year period from date of hire to achieve their respective share ownership requirement level.

Stock Ownership Status as at December 31, 2021

NAMED EXECUTIVE OFFICER	NUMBER OF SHARES HELD (1)	VALUE OF HOLDINGS (2) (C$)	VALUE REQUIRED TO MEET GUIDELINES (3) (C$)	HOLDINGS AS A MULTIPLE OF BASE SALARY (3)
Jean-Jacques Ruest	368,942	57,326,208	8,724,360	52.6 x
Ghislain Houle	154,616	24,024,234	3,979,863	30.2 x
Robert Reilly (4)	2,052	318,840	3,979,863	0.4 x
Sean Finn	65,295	10,145,537	3,854,513	13.2 x
Dominique Malenfant (4)	591	91,830	3,666,488	0.1 x

(1) Common shares and/or vested deferred share units as at December 31, 2021.

(2) Value is based on the closing share price of the common shares on December 31, 2021, on the TSX (C$155.38).

(3) U.S.$ salaries as at December 31, 2021, were converted to Canadian dollars using the average rate during the year (U.S.$1.00 = C$1.2535).

(4) Mr. Reilly and Mr. Malenfant joined the Company in June 2019 and September 2020, respectively.

Anti-Hedging Policy

Under the Company's Insider Trading and Reporting Policy, no directors, officers or employees can engage in hedging activity or in any form of transactions in publicly-traded options on CN Securities. This relates to all forms of derivatives, including "puts" and "calls".

Change of Control Provisions

The MLTIP and the Share Units Plan include "double trigger provisions". Pursuant to such provisions, the vesting of non-performance stock options or PSUs held by a participant would not accelerate upon a Change of Control, unless the participant is terminated without cause or resigns for good reason. A "Change of Control" means any of the following events:

a) in the event the ownership restrictions in the CN *Commercialization Act* are repealed, a formal bid for a majority of the Company's outstanding common shares;

b) approval by the Company's shareholders of an amalgamation, merger or consolidation of the Company with or into another corporation, unless the definitive agreement of such transaction provides that at least 51% of the directors of the surviving or resulting corporation immediately after the transaction are the individuals who, at the time of such transaction, constitute the Board and that, in fact, these individuals continue to constitute at least 51% of the board of directors of the surviving or resulting corporation during a period of two consecutive years; or

c) approval by the Company's shareholders of a plan of liquidation or dissolution of the Company.

The provisions state that acceleration of vesting would not occur if a proper substitute to the original stock options or PSUs is granted to the participant. If such substitute is granted and a participant is terminated without cause or submits a resignation for good reason within 24 calendar months after a Change of Control, all outstanding substitute stock options or PSUs that are not then exercisable shall vest and become exercisable or payable in full upon such termination or resignation. Substitute stock options that are vested and exercisable shall remain exercisable for a period of 24 calendar months from the date of such termination or resignation and PSUs shall be remitted within 30 days. Discretion is left to the Board to consider special circumstances. The definition of a resignation for good reason is included in the "Termination and Change of Control Benefits" table on page 78.

Non-Compete/Non-Solicitation Provisions

Non-compete and non-solicitation provisions are included in the PSU and stock option award agreements for all executives and other management employees. In 2010, the Board approved the inclusion of non-compete and non-solicitation provisions in certain supplemental retirement plans and arrangements. Such provisions were also harmonized in 2010 and 2011 across the non-registered pension plans that apply to all executives and senior management employees.

Non-compete and non-solicitation provisions will be applied if a recipient fails to comply with certain commitments for a two-year period following termination of employment. Those commitments prohibit, as detailed in such provisions:

a) The use of confidential CN information for any purpose other than performing duties with CN;

b) Engaging in any business that competes with CN;

c) Soliciting or accepting the business of a customer, client, supplier or distributor of CN or hiring or engaging employees of CN;

d) Taking advantage or profiting from any business opportunity of which they became aware in the course of employment with CN; and

e) Taking any action that will cause relations between CN and its consultants, customers, clients, suppliers, distributors, employees or others to be impaired or might otherwise be detrimental to the business interests or reputation of CN.

Executive Compensation Clawback

CN's clawback policy applies to all CN executives. Under this policy, the Board may, at its sole discretion, to the full extent permitted by governing laws and to the extent it determines it is in the Company's best interest to do so, require reimbursement of all or a portion of annual and LTI compensation received by an executive. The Board may seek reimbursement of full or partial compensation from an executive or former executive in situations where the:

a) Amount of incentive compensation received by the executive or former executive was calculated based upon, or contingent on, the achievement of certain financial results that were subsequently the subject of or affected by a restatement of all or a portion of the Company's financial statements;

b) Executive engaged in gross negligence, intentional misconduct or fraud that caused or partially caused the need for the restatement; and

c) Incentive compensation payment received would have been lower had the financial results been properly reported.

In addition, with respect to bonus or LTI awarded after March 7, 2017, in the event that any executive is found to have engaged in gross negligence, intentional misconduct, fraud, theft or embezzlement, whether or not there is a financial restatement, the Board may at its discretion, to the full extent permitted by governing law and to the extent it determines it is in CN's best interest to do so, require the reimbursement of some or all of the after-tax amount of any incentive compensation already paid in the previous 24 months or forfeit their vested or unvested incentive awards in accordance with plan terms.

Risk Mitigation in Our Compensation Program

One of the Company's fundamental goals is to create sustained shareholder value. To support this objective, the Committee focuses on developing and recommending an executive compensation policy and program that aligns with the Company's business strategy, emphasizes pay-for-performance, and encourages the appropriate behaviours. Hence, many characteristics of the Company's executive compensation program serve to mitigate risk and emphasize the importance of longer-term value creation. Therefore, the Committee ensures:

Structured Process

- An annual review of the performance measures under the Company's AIBP and Share Units Plan takes place to ensure their continued relevance.
- a formal assessment of performance is completed each year, and then uses discretion to increase or decrease any compensation awards if it deems appropriate based on market factors or other extenuating circumstances.
- Stress-testing exercises are performed annually for proposed LTI grants and results are presented to the Committee for its consideration prior to the Committee and the Board approving such grants.

Balanced Program

- The compensation program appropriately balances fixed and variable pay, as well as short- and long-term incentives (in aggregate, approximately 80% of NEOs' target total direct compensation is directly linked to the Company's performance).
- The corporate financial component of the AIBP includes performance measures that are appropriately balanced, thus diversifying the risk associated with the use of any single performance measure (please refer to section "Annual Incentive Bonus Plan" on page 55 for more information).
- The corporate safety and corporate strategic components of the AIBP include two standard safety measures and three strategic measures, respectively, and further increases diversification of the plan, thus mitigating potential risk associated with the plan.
- There are multi-year, overlapping performance periods for the PSUs and stock options, which encourages consistent, long-term behaviour and mitigates risk.
- The LTI awards, which constitute a significant portion of NEO compensation, vest over a three- or five-year period, motivating executives to create longer-term value.
- The performance measures used within the Share Units Plan reflect an appropriate balance between financial and share price conditions.
- Payout of PSUs subject to PSU-ROIC performance is also contingent upon meeting a minimum share price condition that triggers payment only if the share price appreciates during the three-year term.
- The increased preponderance of Relative TSR performance supporting alignment between executive pay and shareholders' return.

Fixed Limits on Variable Compensation

- The AIBP and the Share Units Plan are designed to include the possibility of a zero payout, as well as a pre-defined maximum.
- The COO and CITO participate in a Defined Contribution Plan, which limits CN's exposure to risk.

Protection Mechanisms

- The Company's executive compensation clawback policy allows the Board, in certain situations, to request the full or partial reimbursement of annual and LTI awards received by executives (please refer to section "Executive Compensation Clawback" on page 61 for more information).
- The NEOs are not governed by employment contracts and the LTI plans include "double-trigger provisions", such that the vesting of LTI awards would generally not accelerate upon a Change of Control.
- Under the Company's Insider Trading and Reporting Policy, directors, executives and employees are prohibited from engaging in hedging activities against CN Securities.
- To further align their interests with those of shareholders, executives and senior management employees (171 individuals) are required to meet specific stock ownership guidelines. In addition, the President and CEO must maintain their stock ownership level for one year after cessation of employment (please refer to section "Stock Ownership" on page 60 for more information).
- Commencing at various dates, for executives and senior management employees, the payout of LTI awards and the payment of supplemental retirement benefits under the Company's non-registered pension plans are conditional on compliance with the conditions of their benefit plans, award or employment agreements, including, but not limited to, non-compete, non-solicitation, non-disclosure of confidential information and other restrictive covenants (please refer to section "Non-Compete/Non-Solicitation Provisions" on page 61 for more information).

Independent Advice

- Management retains the services of an external executive compensation consultant to assist in compensation-related matters for its executives. The Committee retains the services of an independent executive compensation consultant to provide advice on compensation recommendations that are presented for Committee approval.

In 2021, Willis Towers Watson was mandated by management to review the Company's compensation policy, programs and practices and assessed any potential risk implications and concluded that "there does not appear to be significant risks arising from CN's compensation programs that are reasonably likely to have a material adverse effect on the Company". The Committee played an active role in reviewing the risk assessment report and in discussing the finding provided by Willis Towers Watson.

The Committee supports the conclusion from the Willis Towers Watson risk assessment report and in its own assessment determined that proper risk mitigation features are in place within the Company's compensation programs.

Throughout the year, the Committee plays an important oversight role related to the identification and management of risks associated with CN's compensation programs and practices. For example, in camera sessions, restricted to independent members of the Committee, are held at the start or end of each regularly scheduled Committee meetings to allow for discussion regarding any compensation or risk-related issue. The Committee also believes in the benefits of a certain level of overlapping membership between the Audit, Finance and Risk Committee and the Human Resources and Compensation Committees, particularly with regard to risk monitoring. As such, Robert L. Phillips, Chair of the Audit, Finance and Risk Committee, is also a member of the Human Resources and Compensation Committee, and the Honorable Kevin G. Lynch, Chair of the Human Resources and Compensation Committee, is a member of the Audit, Finance and Risk Committee and of the Governance, Sustainability and Safety Committee. These overlaps effectively provide a link between committees' risk oversight responsibilities.

Compensation of the NEOs

Jean-Jacques Ruest

President and Chief Executive Officer

Mr. Ruest was appointed President and CEO on July 24, 2018, after having served as Interim President and Chief Executive Officer from March 5, 2018. He joined CN in 1996 and held several positions within the sales and marketing team, including the position of Executive Vice-President and Chief Marketing Officer ("CMO") from January 2010 to March 2018. Mr. Ruest is a seasoned executive and has extensive marketing experience within the railway industry. Prior to joining CN, he had more than 15 years of experience working for a major international chemical company. Mr. Ruest holds a Master's in Business Administration in Marketing from HEC Montréal and a Bachelor of Science degree in Applied Chemistry from Université de Sherbrooke. He also completed the executive program from the University of Michigan's business school.

In October 2021, after more than 25 years of dedicated service with CN, Mr. Ruest announced his retirement as President and CEO and as a member of the Board. Mr. Ruest remained in an advisory role until March 31, 2022 to ensure a seamless transition. As President and CEO, Mr. Ruest was responsible until February 27, 2022 for providing leadership and vision for CN, as well as achieving strategic and operational goals that build long-term shareholder value.

Compensation

The annual compensation of the President and CEO takes into account factors such as competitive positioning against market, economic outlook, and leadership abilities and is recommended by the Committee and approved by the independent members of the Board. The President and CEO serve at the discretion of the Board and does not have an employment contract.

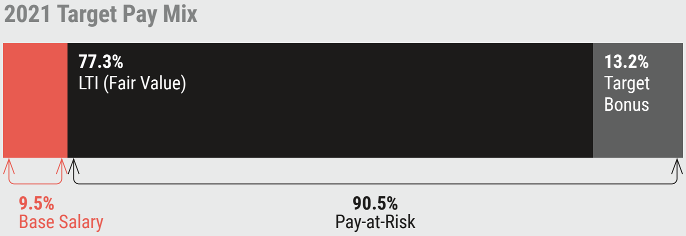
In 2021, Mr. Ruest's base salary was increased to U.S.$870,000 (C$1,090,545). Under the AIBP, Mr. Ruest's target bonus was 140% of his base salary.

PSUs and stock options are granted to the President and CEO pursuant to the Share Units Plan and the MLTIP. Grants to the President and CEO are made on the same basis and conditions as those of the other NEOs of the Company, subject to the limitation under the MLTIP [(1)]. In 2021, Mr. Ruest received 70,310 PSUs and 130,000 stock options. The fair value of these awards is included in the "Summary Compensation Table" on page 67, under the "Share-Based Awards and Option-Based Awards" columns.

2021 Target Total Direct Compensation Summary

	2021 TOTAL DIRECT COMPENSATION (AT TARGET)	
	U.S.$	AS A% OF TOTAL DIRECT COMPENSATION
Salary	870,000	9.5%
AT-RISK COMPENSATION		
Annual Incentive Bonus (target)	1,218,000	13.2%
Performance Share Units	4,813,279	52.3%
Stock Options	2,298,400	25.0%
Total direct compensation (target)	**9,199,679**	

2021 Target Pay Mix



New President and Chief Executive Officer

On January 25, 2022, following an international search to identify an exceptional leader to take CN forward, the Board appointed Tracy Robinson as CN's President and Chief Executive Officer, effective February 28, 2022. Following a robust process, Ms. Robinson was identified as the right leader to drive sustainable growth, continued operational improvement, technological advancement and shareholder value, and to retain and attract a world-class workforce. Ms. Robinson previously held a variety of executive positions at TC Energy, most recently Executive Vice-President of TC Energy, President of Canadian Natural Gas Pipelines and President Coastal GasLink. Prior to joining TC Energy, Ms. Robinson spent 27 years at Canadian Pacific, including executive roles spanning Operations, Finance and Commercial. Ms. Robinson is a well-respected and seasoned executive who brings more than 35 years of operational management, strategy development, and project execution experience to drive growth and profitability to CN.

Annual target compensation for Ms. Robinson was set within the current executive compensation framework, taking into account competitive positioning and executive experience. For 2022, Ms. Robinson's base salary was set at U.S.$900,000, with a target annual bonus of 140% of base salary under the AIBP and a Performance Share Unit grant and Stock Option grant worth a cumulative U.S.$7,040,000. The target total direct compensation of U.S.$9,200,000 was set at the same level as Mr. Ruest's target compensation for 2021, and is positioned, as per the historical practice at CN for the President and CEO role, below the median of the Class I Railroad comparator group. Ms. Robinson will be subject to a share ownership guideline of eight times base salary, to be achieved by the fifth anniversary of her start date. A special make-whole award of C$1,675,000 was provided to Ms. Robinson in order to mitigate the forfeiture of compensation she incurred by leaving TC Energy. The make-whole award was determined based on a review of her outstanding incentive compensation awards that were forfeited, both in terms of form and timing. The special award includes a combination of cash (C$500,000), standard CN Performance Share Units (C$1,050,000) and 5-year term CN Stock Options with two-year vesting (C$125,000). This combination is intended to provide an equivalent replacement for her forfeited compensation while also providing retentive value. The make-whole award is subject to a 24-month clawback provision in case of resignation or termination for cause and Performance Share Units and Stock Options are subject to non-compete provisions.

Additionally, CN has provided Ms. Robinson with certain severance and other termination provisions deemed to be appropriate in the circumstances surrounding her recruitment as President and CEO. Pursuant to her employment arrangement, Ms. Robinson would receive a cash severance amount in the event of an involuntary termination equal to two times her annual base salary plus two times her target annual bonus under AIBP payable over a 24-month period. Furthermore, in the event of an involuntary termination occurring prior to January 31, 2023, the Company would allow for the continuation of her 2022 long-term incentive and special make-whole equity awards. In that scenario, she would receive full payout of the 2022 Performance Share Units in accordance with their terms if the performance measures are met, and her stock options would continue to vest and continue to be exercisable for a period of four years. All awards of CN Performance Units and CN Stock Options are subject to non-compete, non-solicitation and other restrictive covenants.

(1) The weighting of the 2021 long-term incentive grant value for the President and CEO was different (68% PSUs and 32% stock options) to reflect stock option distribution requirements which limit the number of stock options, as per the MLTIP that may be awarded during any calendar year to any individual participant to a maximum of 20% of the stock options awarded in that year.

Ghislain Houle

Executive Vice-President and Chief Financial Officer

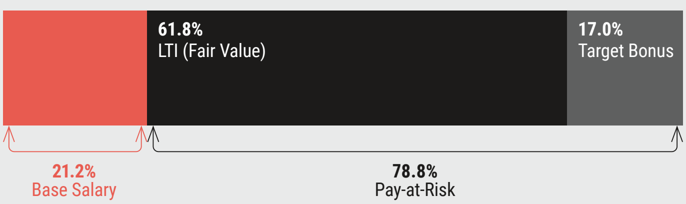
Mr. Houle was appointed Executive Vice-President and Chief Financial Officer on July 1, 2016. His responsibilities at CN include financial management, strategic planning, procurement and supply management. Mr. Houle joined the Company in 1997 as Chief Internal Audit and occupied various executive roles, including Vice-President and Corporate Comptroller and Vice-President, Financial Planning, before being appointed to his current position. Prior to joining CN, Mr. Houle held positions in tax and audit at a major accounting firm. Mr. Houle is a CPA, CA and holds a Bachelor of Commerce degree from Laval University and an MBA from McGill University.

In 2021, Mr. Houle's base salary was increased to U.S.$635,000 (C$795,973) to reflect his competitive positioning and experience. As in 2020, Mr. Houle's target bonus for 2021 was 80% of base salary under the AIBP. In addition, Mr. Houle received 14,864 PSUs and 47,079 stock options in 2021, in accordance with the terms of the Share Units Plan and the MLTIP, respectively.

2021 Target Total Direct Compensation Summary

	2021 TOTAL DIRECT COMPENSATION (AT TARGET)	
	U.S.$	AS A% OF TOTAL DIRECT COMPENSATION
Salary	635,000	21.2%
AT-RISK COMPENSATION		
Annual Incentive Bonus (target)	508,000	17.0%
Performance Share Units	1,017,563	34.0%
Stock Options	832,357	27.8%
Total direct compensation (target)	**2,992,920**	

2021 Target Pay Mix



Robert Reilly

Executive Vice-President and Chief Operating Officer

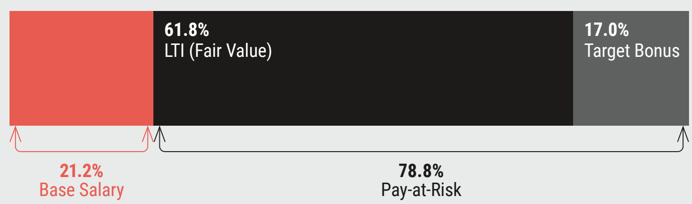
Mr. Reilly joined CN in June 2019 as Executive Vice-President, transitioning into the role of Chief Operating Officer on July 1, 2019. As COO, Mr. Reilly is responsible for CN's operations, overseeing about 17,500 active railroaders from the Transportation, Engineering, Mechanical, Network Operations and Sustainability groups across North America. Prior to his role at CN, Mr. Reilly joined the Atchison, Topeka and Santa Fe Company (now known as BNSF) in 1989. With his 30 years of experience in the rail industry, Mr. Reilly brings to the Company extensive leadership in safety, rail operations, field application of rail technologies, and a deep understanding of the intermodal business at major ports and large terminals. He is a graduate of Washburn University, Kansas and he completed the Executive Program at Stanford University.

In 2021, Mr. Reilly's base salary was increased to U.S.$635,000 (C$795,973) to reflect his competitive positioning and experience. As in 2020, Mr. Reilly's target bonus for 2021 was 80% of base salary under the AIBP. In addition, Mr. Reilly received 14,864 PSUs and 47,079 stock options, in accordance with the terms of the Share Units Plan and the MLTIP, respectively.

2021 Target Total Direct Compensation Summary

	2021 TOTAL DIRECT COMPENSATION (AT TARGET)	
	U.S.$	AS A % OF TOTAL DIRECT COMPENSATION
Salary	635,000	21.2%
AT-RISK COMPENSATION		
Annual Incentive Bonus (target)	508,000	17.0%
Performance Share Units	1,017,563	34.0%
Stock Options	832,357	27.8%
Total direct compensation (target)	**2,992,920**	

2021 Target Pay Mix



Sean Finn

Executive Vice-President Corporate Services and Chief Legal Officer

Mr. Finn was appointed Senior Vice-President, Chief Legal Officer and Corporate Secretary, in December 2000 and CN's Executive Vice-President Corporate Services and Chief Legal Officer in December 2008. He is responsible for a wide array of legal, governmental, regulatory, public affairs, risk mitigation and security matters. As Corporate Secretary, he is also responsible for CN's corporate governance practices, as well as overseeing CN's Code of Business Conduct and ethics program.

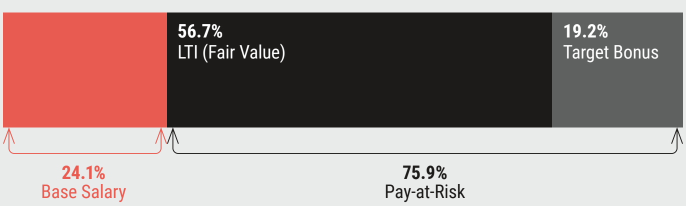
Mr. Finn led CN's tax function and was appointed CN's Vice-President, Treasurer and Principal Tax Counsel in January 2000. Before joining the Company, he was the Managing Tax Partner for a major Montreal law firm. Mr. Finn graduated from the Faculty of Law of Université de Montréal, after which he was admitted to the Quebec Bar, and is a member of the Canadian and American Bar Associations. Mr. Finn has completed the Directors Education Program offered by the Institute of Corporate Directors and the Rotman School of Management, as well as the Excellence in the Boardroom Program at the Rotman School of Management, Executive Programs, University of Toronto.

In 2021, Mr. Finn's base salary was increased to U.S.$615,000 (C$770,903) to reflect his competitive positioning and experience. As in 2020, Mr. Finn's target bonus for 2021 was 80% of base salary under the AIBP. In addition, Mr. Finn received 11,650 PSUs and 36,900 stock options, in accordance with the terms of the Share Units Plan and the MLTIP, respectively.

2021 Target Total Direct Compensation Summary

	2021 TOTAL DIRECT COMPENSATION (AT TARGET)	
	U.S.$	AS A % OF TOTAL DIRECT COMPENSATION
Salary	615,000	24.1%
AT-RISK COMPENSATION		
Annual Incentive Bonus (target)	492,000	19.2%
Performance Share Units	797,536	31.2%
Stock Options	652,392	25.5%
Total direct compensation (target)	**2,556,928**	

2021 Target Pay Mix



Dominique Malenfant

Executive Vice-President and Chief Information and Technology Officer

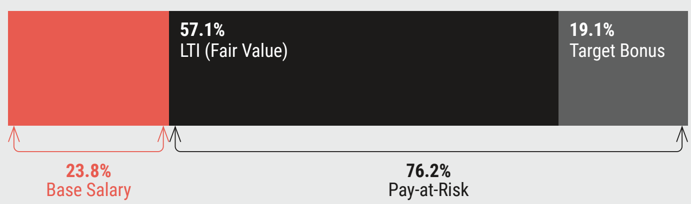
Mr. Malenfant joined CN in September 2020 as Executive Vice-President and Chief Information and Technology Officer where he is responsible for delivering on the information and operational technology strategy of CN, with a focus on automation, innovation and digitalization of the network and operations as well a customer experience. Prior to joining CN, Mr. Malenfant was focused on the next generation of Precision Scheduled Railroading, Positive Train Control technologies and spearheading a major digital industrial evolution in rail. Mr. Malenfant has spent nearly 31 years in global leadership roles in the transportation and rail industries, with Wabtec Corporation, GE Transportation and Bombardier Transport. Mr. Malenfant holds a bachelor's degree in Electrical Engineering from Laval University, Quebec.

In 2021, Mr. Malenfant's base salary was U.S.$585,000 (C$733,298). Mr. Malenfant's target bonus for 2021 was 80% of base salary under the AIBP. In addition, Mr. Malenfant received 11,249 PSUs and 35,627 stock options, in accordance with the terms of the Share Units Plan and the MLTIP, respectively.

2021 Target Total Direct Compensation Summary

	2021 TOTAL DIRECT COMPENSATION (AT TARGET) [1]	
	U.S.$	AS A % OF TOTAL DIRECT COMPENSATION
Salary	585,000	23.8%
AT-RISK COMPENSATION		
Annual Incentive Bonus (target) [2]	468,000	19.1%
Performance Share Units	770,086	31.4%
Stock Options	629,885	25.7%
Total direct compensation (target)	**2,452,971**	

2021 Target Pay Mix



President and Chief Executive Officer Compensation Look-Back Table and Five-Year TSR Comparison

CN's compensation plans are designed to align compensation with the creation of shareholder value. As a result, a significant portion of compensation is at risk and long-term incentives are structured to deliver compensation value to the President and CEO if value is created for shareholders. In a low share performance environment, limited value would be delivered to the President and CEO.

The following table compares the total direct compensation awarded to CN's President and CEOs over the past five years, as reflected in the Summary Compensation Table, to the current value (both realized and realizable) as at December 31, 2021.

		TOTAL DIRECT COMPENSATION AWARDED (1) (C$000s)	CURRENT VALUE AS AT DEC. 31, 2021 (2) (C$000s)
Luc Jobin	2017	11,792	16,948 (3)
Luc Jobin (4)	2018	2,089	348 (5)
Jean-Jacques Ruest (6)	2018	4,575	9,057
Jean-Jacques Ruest	2019	9,266	18,653
Jean-Jacques Ruest	2020	10,303	17,723
Jean-Jacques Ruest	2021	12,515	17,425

(1) Includes salary and variable compensation awarded during the year, as reported in the Summary Compensation Table each year.

(2) For any given year, the current value includes salary and annual incentive awarded and the value of long-term incentives (realized and realizable). Long-term incentives for any given year include the value of any exercised stock options, the value of unexercised "in-the-money" stock options as at December 31, 2021, the value attributed to vested PSUs and the value of unvested PSUs as at December 31, 2021, assuming a 100% performance factor.

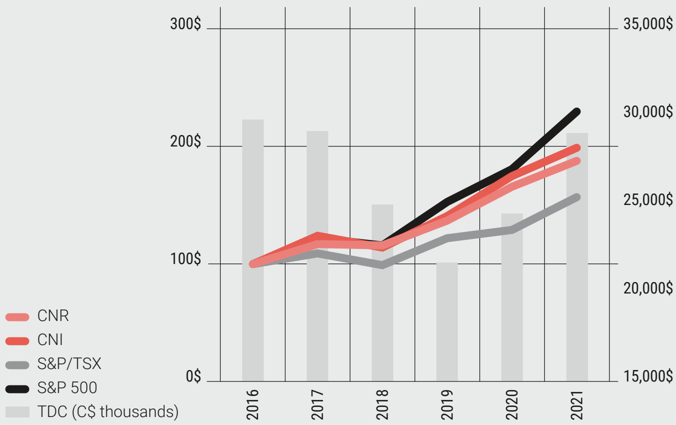
(3) As part of his separation agreement, Mr. Jobin agreed to waive any and all rights to 50% of PSUs awarded to him in 2017. Therefore, these PSUs were cancelled and were not included as at December 31, 2021. In addition, Mr. Jobin forfeited the unvested deferred shares of the Company-match awarded under the VIDP for the deferral of his 2016 Annual Incentive Bonus.

(4) The compensation awarded for Mr. Jobin was pro-rated to his departure date.

(5) PSUs and stock options awarded in 2018 were forfeited upon his departure in March 2018 and were not included as at December 31, 2021.

(6) The compensation awarded for Mr. Ruest was pro-rated to reflect the appointment date of July 24, 2018.

Compensation outcomes are set against the performance graph below which indicates the yearly cumulative total shareholder return on a $100 investment in CN's common shares compared with the cumulative total return of the S&P/TSX and the S&P 500 Indices from the period beginning December 31, 2016 to the period ended December 31, 2021. It assumes reinvestment of all dividends during the covered period. The graph shows that CN shares have outperformed the S&P/TSX Composite Index, but not the S&P 500 index. The total compensation for our NEOs over that period was generally aligned with the experience of our shareholders, as a substantial portion of NEOs total compensation is at risk and linked to CN's share price performance. The Committee believes that the Company's executive compensation policy is effective and appropriately supports a strong relationship between the compensation earned by NEOs and the investment return of shareholders. The total compensation paid over the last five (5) years, as per the "Summary Compensation Table", is presented in the table of the "Cost of Management Ratio" section below.



	DEC-16	DEC-17	DEC-18	DEC-19	DEC-20	DEC-21
CNR (C$)	100	117	116	137	166	188
CNI (U.S.$)	100	124	114	141	175	199
S&P/TSX (C$)	100	109	99	122	129	157
S&P 500 (U.S.$)	100	122	116	153	181	230
TDC (C$ thousands)	29,841	29,218	25,028	21,720	24,500	29,157

Cost of Management Ratio

The cost of management ratio expresses the total compensation reported for the NEOs as a percentage of the Company's adjusted net income.

	2017	2018	2019	2020	2021
Total compensation reported for the NEOs (C$ million)[1]	29.2	25.0	21.7	24.5	29.2
Adjusted Net Income (C$ million)[2]	3,778	4,056	4,189	3,784	4,218
Net Income (C$ million)	5,484	4,328	4,216	3,562	4,892
COST OF MANAGEMENT RATIO using adjusted net income[2]	0.8%	0.6%	0.5%	0.6%	0.7%
COST OF MANAGEMENT RATIO using Net Income	0.5%	0.6%	0.5%	0.7%	0.6%

(1) Total compensation as reported in the summary compensation table each year (including only active NEOs as at December 31 of any year)

(2) Adjusted Net Income is a non-GAAP measure and does not have any standardized meaning prescribed by GAAP and therefore, may not be comparable to similar measures presented by other companies. See the section entitled "Adjusted performance measures" in each of the December 31, 2021 MD&A filed on February 1, 2022, the December 31, 2020 MD&A filed on February 1, 2021, the December 31, 2019 MD&A filed on January 31, 2020, which are incorporated by reference herein. The MD&A may be found online on SEDAR at **www.sedar.com**, on the SEC's website at **www.sec.gov** through EDGAR, and on the Company's website at **www.cn.ca** in the Investors section.

Compensation of the NEOs has been paid in U.S. dollars since 2002 as it provides a more precise, meaningful and stable comparison basis for compensation decisions with U.S.-denominated compensation from the selected Class I Railroad comparator group. A table presenting the compensation paid in U.S. dollars for the NEOs is presented on page 69 — "Total Compensation for the NEOs in U.S. Dollars".

Summary Compensation Table in Canadian Dollars

The following table sets forth the annual total compensation in Canadian dollars for the NEOs, in accordance with the Canadian securities disclosure rules issued by the CSA, for the years ended December 31, 2021, 2020 and 2019. Fluctuation in the exchange rate affects year-over-year comparability.

Compensation in Canadian $

NAME AND PRINCIPAL POSITION	YEAR	SALARY (C$)	SHARE-BASED AWARDS[1] (C$)	OPTION-BASED AWARDS[2] (C$)	NON-EQUITY INCENTIVE PLAN COMPENSATION – ANNUAL INCENTIVE PLANS[3] (C$)	PENSION VALUE[4][5] (C$)	ALL OTHER COMPENSATION[7] (C$)	TOTAL COMPENSATION (C$)
Jean-Jacques Ruest President and Chief Executive Officer	2021	1,090,545	6,159,399	2,941,900	2,323,649	1,005,000[6]	27,724	13,548,217[8]
	2020	1,140,275	6,118,773	2,730,880	313,334	490,000	19,973	10,813,235
	2019	995,175	5,516,472	2,753,780	–	(351,000)	26,120	8,940,547
Ghislain Houle Executive Vice-President and Chief Financial Officer	2021	795,973	1,302,143	1,065,398	969,140	(662,000)[6]	26,361	3,497,015
	2020	831,730	1,341,885	1,098,175	140,661	(95,000)	16,351	3,333,802
	2019	802,775	1,335,883	1,092,707	–	(88,000)	20,375	3,163,740
Robert Reilly Executive Vice-President and Chief Operating Officer	2021	795,973	1,302,143	1,065,398	969,140	84,372[6]	327,427[9]	4,544,453
	2020	804,900	1,269,390	1,038,799	133,691	67,151	274,913[9]	3,588,844
	2019	425,713[10]	1,086,153	888,426	–	51,833	3,388,254[9][11]	5,840,379
Sean Finn Executive Vice-President Corporate Services and Chief Legal Officer	2021	770,903	1,020,581	835,047	938,617	436,000	20,570	4,021,718
	2020	804,900	1,051,809	860,729	136,123	430,000	15,075	3,298,636[8]
	2019	776,237	1,047,037	856,461	–	(282,000)	20,618	2,418,353
Dominique Malenfant Executive Vice-President and Chief Information & Technology Officer	2021	733,298	985,454	806,239	892,831	111,819	15,466	3,545,107
	2020	261,593[12]	1,006,936	823,944	–	27,021	1,345,531[13]	3,465,025
	2019	–	–	–	–	–	–	–

(1) Valuation Disclosure for Share-Based Awards — The fair value of share-based awards at the grant date, as shown in the Summary Compensation Table, reflects the number of PSUs awarded multiplied by the value calculated using the Willis Towers Watson expected life binomial methodology. This methodology was selected as it provides alignment throughout the compensation review process by using the same methodology for benchmarking, grant and disclosure purposes.

A summary of the valuation factors calculated using the Willis Towers Watson expected life binomial methodology as well as under the accounting valuation methodology is presented in the following table. Detailed assumptions and valuation factors are presented in the table below.

	WILLIS TOWERS WATSON EXPECTED LIFE BINOMIAL METHODOLOGY		ACCOUNTING VALUATION METHODOLOGY		VARIANCE
	VALUATION FACTOR	GRANT DATE FAIR VALUE	VALUATION FACTOR	GRANT DATE FAIR VALUE	WILLIS TOWERS WATSON VS. ACCOUNTING
2021 SHARE-BASED AWARDS					
ROIC	60%	C$79.87	48.5%	C$64.50	C$15.37
TSR	77%	C$102.49	111.2%	C$148.02	C$(45.53)
2020 SHARE-BASED AWARDS					
ROIC	60%	January 30 – C$75.28	58.4%	January 30 – C$73.23	January 30 – C$2.05
		September 1 – C$82.60	68.2%	September 1 – C$93.90	September 1 – (C$11.30)
TSR	77%	January 30 – C$96.61	120.7%	January 30 – C$151.50	January 30 – (C$54.89)
		September 1 – C$106.00	142.8%	September 1 – C$196.62	September 1 – (C$90.62)
2019 SHARE-BASED AWARD					
ROIC	59%	January 31 – C$64.49	63.5%	January 31 – C$69.62	January 31 – (C$4.93)
		June 25 – C$71.00	75.1%	June 25 – C$90.38	June 25 – (C$19.38)
TSR	77%	January 31 – C$84.43	116.2%	January 31 – C$127.41	January 31 – (C$42.98)
		June 25 – C$92.66	117.7%	June 25 – C$141.65	June 25 – (C$48.99)

(2) Valuation Disclosure for Option-Based Awards—The fair value of option-based awards at the grant date, as shown in the Summary Compensation Table above, reflects the number of stock options awarded multiplied by the value calculated using the Willis Towers Watson expected life binomial methodology. This methodology was selected as it provides alignment throughout the compensation review process by using the same methodology for benchmarking, grant and disclosure purposes.

A summary of the valuation factors calculated using the Willis Towers Watson expected life binomial methodology as well as under the accounting valuation methodology is presented in the following table. Detailed assumptions for both methodologies are presented in the table below.

	WILLIS TOWERS WATSON EXPECTED LIFE BINOMIAL METHODOLOGY		ACCOUNTING VALUATION METHODOLOGY		VARIANCE
	VALUATION FACTOR	GRANT DATE FAIR VALUE	VALUATION FACTOR	GRANT DATE FAIR VALUE	WILLIS TOWERS WATSON VS. ACCOUNTING
2021 OPTION-BASED AWARD	17%	C$22.63	15.3%	C$20.35	C$2.28
2020 OPTION-BASED AWARD	16%	January 30 – C$20.08	15.1%	January 30 – C$18.90	January 30 – C$1.18
		September 1 – C$22.03	16.1%	September 1 – C$22.14	September 1 – (C$0.11)
2019 OPTION-BASED AWARD	16%	January 31 – C$17.54	14.7%	January 31 – C$16.08	January 31 – C$1.46
		June 25 – C$19.25	15.0%	June 25 – C$18.06	June 25 – C$1.19

(3) Represents the incentive award earned under the AIBP for the applicable year. Refer to page 55 for the details of the AIBP.

(4) Includes the compensatory value of pension benefits as reported in the "Defined Benefit Plans" and "Defined Contribution Plans" tables in the "Pension Plan Benefits" section on page 77 and excludes the notional investment earnings (and losses) from the Defined Contribution Supplemental Executive Retirement Plan for Messrs. Reilly and Malenfant. Refer to page 76 for details of the Defined Contribution Supplemental Executive Retirement Plans.

(5) The compensatory charges for Messrs. Ruest and Finn are negative in 2019, and negative in 2019 and 2020 for Mr. Houle, given their pensionable earnings for those respective years were lower than expected and reduced their highest average earnings used to calculate their pension benefits projected at retirement. For Mr. Finn, his 2020 and 2021 pensionable earnings did not impact the highest average earnings projected at retirement as the period from 2014–2018 still produces the highest 60 consecutive months within the last 10 years. For Mr. Ruest, the inclusion of the 2021 pensionable earnings, which include AIBP target of 140% of salary, in the calculation of the highest 60 consecutive months within the last 10 years affected his highest average earnings projected at retirement.

(6) The 2021 compensatory charges for Mr. Houle reflect the impact of the retirement plans changes approved by the Board in 2021 and effective April 1, 2024 (see page 76 for more details). There is no impact for Mr. Finn and Mr. Ruest as they both reach the normal retirement age of 65 before March 31, 2024 and, as per the pension retirement assumptions, are assumed to have retired before the changes are effective.

(7) Includes the value of perquisites, personal benefits, and other compensation (as applicable), such as post-retirement benefits or the employer contribution under the ESIP. Perquisites and other personal benefits that, in aggregate, amount to less than C$50,000 or 10% of the total salary for any of the NEOs are not reported in this column. Details are provided in the table on page 70.

(8) The 2021 versus 2020 and 2019 change in total compensation is mainly due to the variation in the assumed pension value (refer to footnote (5) above and the Pension Plan Benefits section for more details), the above target bonus payout in 2021 compared to the partial bonus payout in 2020 and no bonus payout in 2019, and as well as the regular adjustments in annual compensation.

(9) Mr. Reilly's was provided a benefit to maintain his compensation on a post-tax basis at a similar level had he remained in the U.S. to relocate to CN's head office in Canada. The amount shown for 2021 represents the amount known at the record date of the Meeting and is subject to change upon finalization of his 2021 tax return. The amount shown for 2020 excludes a repayment from Mr. Reilly to CN in November 2021 related to his 2020 tax equalization calculation. Accounting for this repayment, the 2020 tax equalization amount would have been C$200,598. The amount shown for 2019 excludes a repayment from Mr. Reilly to CN in November 2020 related to his 2019 tax equalization calculation. Accounting for this repayment, the 2019 tax equalization amount would have been C$762,214 instead of C$1,060,404.

(10) Mr. Reilly was hired in June 2019 and, as such, his salary for 2019 reflects only 6 months.

(11) A special cash award of U.S.$1,750,000 (C$2,322,075) was provided to Mr. Reilly upon his hiring at CN in June 2019 in order to mitigate the compensation losses he incurred by leaving BNSF and was determined based on a review of his outstanding short and long-term compensation both in terms of form and timing, with a view to attracting his valued experience and skill set to CN. This amount is included in the 2019 "All Other Compensation" amount and is subject to a 24-month clawback provision in case of resignation or termination for cause.

(12) Mr. Malenfant was hired on September 1, 2020 and, as such, his salary for 2020 reflects only 4 months.

(13) A special cash award of U.S.$1,000,000 (C$1,341,500) was provided to Mr. Malenfant upon his hiring at CN in September 1, 2020 in order to mitigate the compensation losses he incurred by leaving Wabtec Corporation and was determined based on a review of his outstanding short and long-term compensation both in terms of form and timing, with a view to attract his valued experience and skill set to CN. This amount is included in the 2020 "All Other Compensation" amount and is subject to a 24-month clawback provision in case of resignation or termination for cause.

Total Compensation for the NEOs in U.S. Dollars

The following table sets forth the annual total compensation in U.S. dollars for the NEOs, for the years ended December 31, 2021, 2020 and 2019. Compensation of the NEOs has been paid in U.S. dollars since 2002 as it provides a more precise, meaningful and stable comparison basis with U.S.-denominated compensation from the selected Class I Railroad comparator group.

NAME AND PRINCIPAL POSITION	YEAR	SALARY (U.S.$)	SHARE-BASED AWARDS (U.S.$)	OPTION-BASED AWARDS (U.S.$)	NON-EQUITY INCENTIVE PLAN COMPENSATION – ANNUAL INCENTIVE PLANS (U.S.$)	PENSION VALUE (U.S.$)	ALL OTHER COMPENSATION (U.S.$)	TOTAL COMPENSATION (U.S.$)
Jean-Jacques Ruest President and Chief Executive Officer	2021	870,000	4,813,279	2,298,400	1,838,766	789,784	22,117	10,632,346
	2020	850,000	4,639,646	2,069,920	246,235	377,213	14,889	8,197,903
	2019	750,000	4,202,226	2,097,520	–	(257,388)	19,685	6,812,043
Ghislain Houle Executive Vice-President and Chief Financial Officer	2021	635,000	1,017,563	832,357	766,907	(520,236)	21,030	2,752,621
	2020	620,000	1,017,503	832,382	110,539	(73,133)	12,189	2,519,480
	2019	605,000	1,017,622	832,301	–	(64,530)	15,355	2,405,748
Robert Reilly Executive Vice-President and Chief Operating Officer	2021	635,000	1,017,563	832,357	766,907	66,304	261,210	3,579,341
	2020	600,000	962,533	787,376	105,062	51,694	204,930	2,711,595
	2019	320,833	825,044	675,204	–	38,009	2,553,511	4,412,601
Sean Finn Executive Vice-President Corporate Services and Chief Legal Officer	2021	615,000	797,536	652,392	742,753	342,633	16,410	3,166,724
	2020	600,000	797,549	652,405	106,973	331,024	11,237	2,499,188
	2019	585,000	797,591	652,355	–	(206,790)	15,538	1,843,694
Dominique Malenfant Executive Vice-President and Chief Information & Technology Officer	2021	585,000	770,086	629,885	706,521	87,873	12,338	2,791,703
	2020	195,000	770,091	629,833	–	20,801	1,003,005	2,618,730
	2019	–	–	–	–	–	–	–

Extension to Notes (1) and (2) of the Summary Compensation Table on the Calculation of Grant Date Fair Value of Awards
The fair value of the LTI awards reflects their expected value on the date of the grant. Since 2014, the value is calculated based on Willis Towers Watson's expected life binomial methodology in an effort to align the valuation methodology used throughout the compensation review process for benchmarking, grant and disclosure purposes. Share-based awards represent the awards of PSUs under the Share Units Plan. Option-based awards represent the awards of stock options pursuant to the Management Long-Term Incentive Plan. The grant date fair value for PSUs and stock options considers the following assumptions:

Share-Based Awards (PSUs)

	2019 (JANUARY)	2019 (JUNE 25)	2020 (JANUARY)	2020 (SEPTEMBER 1)	2021 (JANUARY)
Closing share price on grant date (C$)	109.65	120.34	125.47	137.66	133.11
Risk-free interest rate over term of the award (1)	1.50% to 1.75% based on yield curve	1.50% to 1.75% based on yield curve	2.50% based on yield curve	2.50% based on yield curve	1.75% based on yield curve
Expected stock price volatility over term of the award (2)	18%	18%	17%	17%	21%
Expected annual dividends per share (C$)	1.82	1.82	2.15	2.15	2.30
Expected term (3)	3 years	3 years	3 years	3 years	3 years
Resulting fair value per unit (C$)	ROIC – 64.69 TSR – 84.43	ROIC – 71.00 TSR – 92.66	ROIC – 75.28 TSR – 96.61	ROIC – 82.60 TSR – 106.00	ROIC – 79.87 TSR – 102.49

Option-Based Awards

	2019 (JANUARY)	2019 (JUNE 25)	2020 (JANUARY)	2020 (SEPTEMBER 1)	2021 (JANUARY)
Closing share price on grant date (C$)	109.65	120.34	125.47	137.66	133.11
Risk-free interest rate over term of the award (1)	1.50% to 2.50% based on yield curve	1.50% to 2.50% based on yield curve	2.50% to 2.75% based on yield curve	2.50% to 2.75% based on yield curve	1.75% to 2.00% based on yield curve
Expected stock price volatility over term of the award (2)	19%	19%	18%	18%	20%
Expected annual dividends per share (C$)	1.82	1.82	2.15	2.15	2.30
Expected term (3)	6.25 years	6.25 years	6.5 years	6.5 years	6.5 years
Resulting fair value per stock option (C$)	17.54	19.25	20.08	22.03	22.63

(1) Based on the zero coupon yield curve rate commensurate with the expected term of a given award. The Willis Towers Watson expected life binomial model uses a yield curve for the risk-free interest rate (with different interest rates applying depending on the lattice node) rather than one particular rate.

(2) Based on daily share prices, dividend data and average of volatilities for CN's NYSE and TSX-listed shares for a period commensurate with the expected term of a given award.

(3) Represents the period of time that awards are expected to be outstanding. For option-based awards, the Company uses the SEC Safe Harbor calculation.

The share- and option-based awards are sensitive to variations in assumptions, in particular the risk-free interest rate and stock price volatility.

Details of "All Other Compensation" Amounts for 2021, 2020 and 2019 [1]

NAME	YEAR	PERQUISITES AND OTHER PERSONAL BENEFITS [2] (C$)		OTHER COMPENSATION (C$)	ALL OTHER COMPENSATION (TOTAL OF THE TWO PREVIOUS COLUMNS) (C$)
Jean-Jacques Ruest	2021	Nil	ESIP employer contribution:	23,324 [3]	27,724
			Post-retirement benefits:	4,400 [4]	
	2020	Nil	ESIP employer contribution:	15,973 [3]	19,973
			Post-retirement benefits:	4,000 [4]	
	2019	Nil	ESIP employer contribution:	20,920 [3]	26,120
			Post-retirement benefits:	5,200 [4]	
Ghislain Houle	2021	Nil	ESIP employer contribution:	21,161 [3]	26,361
			Post-retirement benefits:	5,200 [4]	
	2020	Nil	ESIP employer contribution:	11,651 [3]	16,351
			Post-retirement benefits:	4,700 [4]	
	2019	Nil	ESIP employer contribution:	16,875 [3]	20,375
			Post-retirement benefits:	3,500 [4]	
Robert Reilly	2021	Nil	ESIP employer contribution:	16,677 [3]	327,427
			Tax Equalization Amount:	310,750 [5]	
	2020	Nil	ESIP employer contribution:	8,356 [3]	274,913
			Tax Equalization Amount:	266,557 [5]	
	2019	Nil	ESIP employer contribution:	5,775 [3]	3,388,254
			Special Cash Award:	2,322,075 [6]	
			Tax Equalization Amount:	1,060,404 [5]	
Sean Finn	2021	Nil	ESIP employer contribution:	16,370 [3]	20,570
			Post-retirement benefits:	4,200 [4]	
	2020	Nil	ESIP employer contribution:	11,275 [3]	15,075
			Post-retirement benefits:	3,800 [4]	
	2019	Nil	ESIP employer contribution:	16,318 [3]	20,618
			Post-retirement benefits:	4,300 [4]	
Dominique Malenfant	2021	Nil	ESIP employer contribution:	15,466 [3]	15,466
	2020	Nil	ESIP employer contribution:	4,031 [3]	1,345,531
			Special Cash Award:	1,341,500 [7]	

(1) This table outlines the perquisites and other compensation received by NEOs in 2021, 2020 and 2019. The amounts are calculated based on the incremental cost to the Company. The policy of the Company on the usage of the corporate aircraft provides that it is restricted to business-related purposes, save for certain exceptional circumstances and subject to reimbursement of cost.

(2) Perquisites and other personal benefits include the use of a Company-leased vehicle, parking, club membership, executive physical exam, financial counselling and tax services, and certain healthcare benefits and life insurance coverage. The incremental cost to the Company is determined by the actual cost of the Company-leased vehicle (including gas and maintenance fees), parking, club membership, annual executive physical exam, financial counselling and tax services and by the cost of certain healthcare benefits and life insurance coverage in excess of that offered to salaried employees. See section "Executive Perquisites" on page 60 for more details. Perquisites and other personal benefits that amount to less than C$50,000 (in aggregate) or 10% of total salary for any of the NEOs are reported as "Nil" in this column.

(3) Represents the value of the Company-match under the ESIP. See section "Employee Share Investment Plan" on page 60 for more details.

(4) Represents the service cost for post-retirement benefits, if applicable.

(5) Mr. Reilly's was provided a benefit to maintain his compensation on a post-tax basis at a similar level had he remained in the U.S. to relocate to CN's head office in Canada. The amount shown for 2021 represents the amount known at the record date of the Meeting and is subject to change upon finalization of his 2021 tax return. The amount shown for 2020 excludes a repayment from Mr. Reilly to CN in November 2021 related to his 2020 tax equalization calculation. Accounting for this repayment, the 2020 tax equalization amount would have been C$200,598 instead. The amount shown for 2019 excludes a repayment from Mr. Reilly to CN in November 2020 related to his 2019 tax equalization calculation. Accounting for this repayment, the 2019 tax equalization amount would have been C$762,214 instead of C$1,060,404.

(6) Represents a special cash award of U.S.$1,750,000 (C$2,322,075) paid to Mr. Reilly upon his hire in June 2019 in order to mitigate compensation losses incurred as a result of his departure from BNSF and was determined based on a review of his then outstanding short- and long-term compensation, both in terms of form and timing, with a view to attracting his valued experience and skill set to CN. The special cash award is subject to a 24-month clawback provision in case of resignation or termination for cause.

(7) Represents a special cash award of U.S.$1,000,000 (C$1,341,500) paid to Mr. Malenfant upon his hire in September 2020 to mitigate his compensation losses incurred as a result of his departure from Wabtec Corporation. The special cash award is subject to a 24-month clawback provision in case of resignation or termination for cause.

Incentive Plan Awards

Share-Based and Option-Based Awards in 2021

The following table shows information regarding grants of PSUs made to NEOs under the Share Units Plan, grants of stock options made under the MLTIP and awards of Company-matched deferred share units under the VIDP in 2021, if any.

NAME	GRANT DATE	AWARD TYPE	SECURITIES, UNITS OR OTHER RIGHTS (#)	END OF PLAN PERIOD OR EXPIRY DATE	SHARE PRICE ON DATE OF GRANT (C$)	AWARD'S GRANT DATE FAIR VALUE (1) (C$)
Jean-Jacques Ruest	January 28, 2021	PSUs (2)	70,310	December 31, 2023	133.11	6,159,399
		Options (3)	130,000	January 28, 2031	133.11	2,941,900
Ghislain Houle	January 28, 2021	PSUs (2)	14,864	December 31, 2023	133.11	1,302,143
		Options (3)	47,079	January 28, 2031	133.11	1,065,398
Robert Reilly	January 28, 2021	PSUs (2)	14,864	December 31, 2023	133.11	1,302,143
		Options (3)	47,079	January 28, 2031	133.11	1,065,398
Sean Finn	January 28, 2021	PSUs (2)	11,650	December 31, 2023	133.11	1,020,581
		Options (3)	36,900	January 28, 2031	133.11	835,047
Dominique Malenfant	January 28, 2021	PSUs (2)	11,249	December 31, 2023	133.11	985,454
		Options (3)	35,627	January 28, 2031	133.11	806,239

(1) The grant date fair values reported for PSUs and stock options are calculated using the same assumptions as described in the extension to footnotes 1 and 2 of the "Summary Compensation Table" on page 67.

(2) The PSUs granted in 2021 were made under the Share Units Plan. The payout of PSUs granted in 2021 to NEOs is subject to two distinct performance measures. Sixty percent (60%) of the PSU award is subject to the achievement of PSU-ROIC objectives for the period ending on December 31, 2023, and to the attainment of a minimum average closing share price established at the beginning of the cycle of C$140.07 or U.S.$109.66. The remaining 40% is subject to the TSR performance of CN measured against two comparator groups i) selected Class I Railroads; and ii) S&P/TSX 60 companies for the period ending on December 31, 2023. Details are described under "Performance Share Units: 2021 Award" on page 58.

(3) The stock options granted in 2021 were made under the MLTIP and vest over a period of five years, with 20% of the stock options vesting at each anniversary date of the award. Unexercised stock options shall expire on the tenth anniversary of the date of the award. See section "Management Long-Term Incentive Plan" on page 73 for a description of the plan.

Outstanding Share-Based Awards and Option-Based Awards

The following table shows all awards made to NEOs and outstanding on December 31, 2021.

	OPTION-BASED AWARDS (1)				SHARE-BASED AWARDS		
NAME	NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS (#)	OPTION EXERCISE PRICE (2) (C$)	OPTION EXPIRATION DATE	VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS (3) (C$)	NUMBER OF SHARES OR UNITS OF SHARES THAT HAVE NOT VESTED (4) (#)	MARKET OR PAYOUT VALUE OF SHARE-BASED AWARDS THAT HAVE NOT VESTED (5) (C$)	MARKET OR PAYOUT VALUE OF VESTED SHARE-BASED AWARDS NOT PAID OUT OR DISTRIBUTED (6) (C$)
Jean-Jacques Ruest	130,000	131.45	2031/01/28	42,329,216	144,412	22,421,145	37,585,401
	136,000	120.23	2030/01/30				
	157,000	105.54	2029/01/31				
	55,053	113.95	2028/07/26				
	65,387	99.20	2028/01/25				
	67,942	88.62	2027/01/26				
	77,407	66.70	2026/01/28				
	57,090	84.67	2025/01/29				
	60,120	66.89	2024/02/03				
Ghislain Houle	47,079	131.45	2031/01/28	17,823,222	31,115	4,830,858	8,938,419
	54,690	120.23	2030/01/30				
	62,298	105.54	2029/01/31				
	60,908	99.20	2028/01/25				
	56,618	88.62	2027/01/26				
	18,047	80.43	2026/07/27				
	10,546	74.17	2026/01/28				
	7,892	84.55	2025/01/29				
	8,260	58.71	2024/02/03				
	8,680	47.30	2023/01/24				
Robert Reilly	47,079	131.45	2031/01/28	4,767,293	30,237	4,694,542	1,903,893
	51,733	120.23	2030/01/30				
	46,152	115.51	2029/06/25				
Sean Finn	36,900	131.45	2031/01/28	6,892,445	24,388	3,786,437	1,870,030
	42,865	120.23	2030/01/30				
	45,829	105.54	2029/01/31				
	27,176	93.19	2028/03/08				
	8,211	88.62	2027/01/26				
Dominique Malenfant	35,627	131.45	2031/01/28	1,679,106	22,363	3,472,039	0
	37,401	133.04	2030/09/01				

(1) Includes all stock options granted under the MLTIP and outstanding on December 31, 2021.

(2) Where applicable, stock option exercise prices in U.S. dollars resulting from stock option grants to NEOs made in U.S. dollars were converted to Canadian dollars using the December 31, 2021, exchange rate of U.S.$1.00 = C$1.2637. The conversion of these option exercise prices results in different Canadian dollar equivalent values for stock option grants made in U.S. dollars when compared to the values presented in the "Share-Based and Option-Based Awards in 2021" table on page 71, under the "Share Price on Date of Grant" column. The following table presents the option exercise prices that were converted to Canadian dollars based on the December 31, 2021 exchange rate:

OPTION EXPIRATION DATE	OPTION EXERCISE PRICE (U.S.$)	OPTION EXERCISE PRICE (C$)
2031/01/28	104.02	131.45
2030/09/01	105.28	133.04
2030/01/30	95.14	120.23
2029/06/25	91.41	115.51
2029/01/31	83.52	105.54
2028/07/26	90.17	113.95
2028/03/08	73.74	93.19
2028/01/25	78.50	99.20
2027/01/26	70.13	88.62
2026/07/27	63.65	80.43
2026/01/28	52.78	66.70
2025/01/29	67.00	84.67
2024/02/03	52.93	66.89
2023/01/24	47.18	59.62

(3) The value of unexercised in-the-money stock options at financial year-end for stock options granted to NEOs in Canadian dollars is the difference between the closing share price of the common shares on December 31, 2021, on the TSX (C$155.38) and the exercise price. The value of unexercised in-the-money stock options at financial year-end for stock options granted to NEOs in U.S. dollars is the difference between the closing share price of the common shares on December 31, 2021, on the NYSE (U.S.$122.86) converted to Canadian dollars based on the December 31, 2021, exchange rate of U.S.$1 = C$1.2637 (i.e. U.S.$122.86 × 1.2637 = C$155.26) and the exercise price converted to Canadian dollars using this same exchange rate. Please refer to Note 2 of this table for additional details. This value has not been and may never be realized. The actual gains, if any, will depend on the value of the common shares on the date of exercise.

(4) Includes all PSUs outstanding on December 31, 2021, that have not vested on such date under the Share Units Plan. Payouts for these units are conditional upon meeting performance measures and a minimum share price condition that may or may not be achieved.

(5) The value of outstanding share units awarded under the Share Units Plan in Canadian dollars is based on the closing price of the common shares on the TSX on December 31, 2021 (C$155.38). The value of outstanding share units awarded under the Share Units Plan in U.S. dollars is based on the closing price of the common shares on the NYSE on December 31, 2021 (U.S.$122.86), converted to Canadian dollars based on the December 31, 2021 exchange rate of U.S.$1 = C$1.2637 (i.e. U.S.$122.86 × 1.2637 = C$155.26). The values assume that the target average Relative TSR and PSU-ROIC objectives (i.e. 100%) and the minimum share price condition are met. In accordance with the Share Units Plan, a performance vesting factor between 0% and 200% will apply to the awarded share units.

(6) Includes the value as at December 31, 2021 of the 2019 PSU awards granted under the Share Units Plan. The value is based on the closing price of the common shares on the TSX on December 31, 2021 (C$155.38) for grants made in Canadian dollars and based on the closing price of the common shares on the NYSE on December 31, 2021 (U.S.$122.86) converted to Canadian dollars based on the December 31, 2021 exchange rate of U.S.$1 = C$1.2637 (i.e. U.S.$122.86 × 1.2637 = C$155.26) for grants made in U.S. dollars. The payout of the 2019 PSUs awards was subject to two distinct performance measures. Seventy percent (70%) of the 2019 PSU award was subject to the achievement of PSU-ROIC objectives for the period ending on December 31, 2021, and to the attainment of a minimum average closing share price established at the beginning of the cycle of C$104.19 or U.S.$77.08. The average PSU-ROIC for the period ended on December 31, 2021 was 14.16%, exceeding the target for the plan period, and the minimum share price condition was met. The PSU-ROIC performance vesting factor was therefore 82.8%. The remaining thirty percent (30%) was subject to the TSR performance of CN measured against two comparator groups i) selected Class I Railroads; and ii) S&P/TSX 60 companies for the period ending on December 31, 2021. The Relative TSR performance of CN resulted in a Relative TSR performance vesting factor of 71.6%. The 2019 PSU awards were equity-settled for all NEOs on February 28, 2022.

Also includes the value as at December 31, 2021 of the DSUs that have vested under the terms of the VIDP based on the closing share price of the Company's common shares on the TSX of C$155.38. Units held under this deferred compensation plan are only payable upon cessation of employment (please refer to page 74 for more details on the "Company's Deferred Compensation Plans"). The following table provides the breakdown, for each of the NEOs, of the market value of vested share-based awards that were not paid out or distributed on December 31, 2021:

NAME	2019 PSUs (C$)	ACCUMULATED DSUs (C$)	TOTAL (C$)
Jean-Jacques Ruest	9,852,686	27,732,715	37,585,401
Ghislain Houle	2,385,944	6,552,475	8,938,419
Robert Reilly	1,767,521	136,372	1,903,893
Sean Finn	1,870,030	–	1,870,030
Dominique Malenfant	–	–	–

Incentive Plan Awards – Value Vested or Earned During the Year

The following table shows the value from incentive plans vested or earned by NEOs under the Company's incentive plans, including the annual incentive bonus, PSUs, DSUs and stock options earned during the financial year ended December 31, 2021.

NAME	OPTION-BASED AWARDS – VALUE VESTED DURING THE YEAR (1) (C$)	SHARE-BASED AWARDS – VALUE VESTED DURING THE YEAR (2) (C$)	NON-EQUITY INCENTIVE PLAN COMPENSATION – VALUE EARNED DURING THE YEAR (3) (C$)
Jean-Jacques Ruest	2,763,582	9,852,686	2,323,649
Ghislain Houle	1,673,465	2,385,944	969,140
Robert Reilly	294,581	1,767,521	969,140
Sean Finn	1,644,483	1,870,030	938,617
Dominique Malenfant	157,082	–	892,831

(1) Represents the value of the potential gains from stock options granted under the MLTIP in 2017, 2018, 2019 and 2020 that vested during the 2021 financial year. Grants made prior to 2020 all vest over four years, with 25% of stock options vesting on each anniversary date, while grants made in or after 2020 vest over five years, with 20% of stock options vesting on each anniversary date (see section "Management Long-Term Incentive Plan" starting on page 73 for a description of the Plan). The potential gains are calculated as the difference between the closing price of the common shares on each of the stock option grant anniversary dates in 2021 and the exercise price, converted to Canadian dollars when applicable using the exchange rate on such vesting date (see "Currency Exchange Information" on page 79). This value has not been and may never be, realized. The actual gains, if any, will depend on the value of the common shares on the date of exercise.

(2) Includes PSUs granted in 2019 that vested on December 31, 2021 under the Share Units Plan and the Company-matched DSUs that vested during the year. Mr. Reilly received a bonus payment in 2021 for the 2020 year and as such, the first vesting anniversary date of the Company-matched DSUs was in February 2022.

(3) Represents the amount of bonus earned under the AIBP for the financial year ended on December 31, 2021.

Incentive Plan Awards – Value of Exercised Stock Options and Performance Share Units Paid During the Year

The following table lists the number of shares acquired and the value realized as a result of stock options exercised by NEOs in 2021 as well as PSUs which vested on December 31, 2021. For stock options exercised, the value realized is calculated by multiplying the number of shares acquired by the difference between the exercise price and the market price of CN common shares on the exercise date.

	STOCK OPTIONS		PSUs	
NAME	NUMBER OF SHARES ACQUIRED ON EXERCISE	VALUE REALIZED ON EXERCISE (C$)	VALUE REALIZED ON DECEMBER 31, 2020 (C$)	TOTAL VALUE REALIZED (C$)
Jean-Jacques Ruest	–	–	9,852,686	9,852,686
Ghislain Houle	11,200	1,379,193	2,385,944	3,765,137
Robert Reilly	–	–	1,767,521	1,767,521
Sean Finn	5,000	196,214	1,870,030	2,066,244
Dominique Malenfant	–	–	–	–

Management Long-Term Incentive Plan

The MLTIP was approved by the Company's shareholders on May 7, 1996 and amended on April 28, 1998; April 21, 2005; April 24, 2007; March 4, 2008; January 27, 2015; January 1, 2019, and on January 1, 2020.

Eligible participants under the MLTIP are employees of the Company or its affiliates as determined by the Board. Grants cannot be made to non-employee directors under the MLTIP. The maximum number of common shares that may be issued under the MLTIP is 120,000,000. The following table provides information on the status of the reserve and the number of shares issued and issuable under the MLTIP, as at March 31, 2022.

Stock Options Outstanding and Available for Grant as of March 31, 2022

	NUMBER OF COMMON SHARES (#)	% OF OUTSTANDING COMMON SHARES
Stock options already granted and outstanding	3,789,163	0.55%
Stock options issuable under the MLTIP	13,132,463	1.89%
Shares issued following the exercise of stock options	103,078,374	14.85%

Stock Options Granted under the MLTIP as at December 31, 2021, 2020 and 2019

The following table presents information concerning stock options granted under the MLTIP as at December 31 of the years below.

	2021	2020	2019
Number of stock options granted during the year	**706,704**	748,763	933,372
Number of employees who were granted stock options	**203**	201	209
Number of stock options outstanding at year-end	**3,581,583**	3,630,673	3,736,116
Weighted average exercise price of stock options outstanding	**C$105.32**	C$97.15	C$86.89
Number of stock options granted as a % of outstanding shares (1)	**0.10%**	0.11%	0.13%
Number of stock options exercised	**628,323**	798,591	1,116,974

(1) Annual burn rate, as calculated in accordance with Section 613(p) of the TSX Company Manual.

As per the terms of the MLTIP, the maximum number of common shares that may be issued and/or be the subject of a grant to any one participant in a particular year is 20% of the awards in that year. The maximum aggregate number of common shares, with regard to which awards may be made to any participant under the MLTIP and under any other plan, which the Company has or may eventually have, shall not exceed 5% of the common shares issued and outstanding. The maximum number of common shares that may be issued to insiders, at any time, under all security-based compensation, cannot exceed 10% of the issued and outstanding common shares. Also pursuant to the March 8, 2005 amendment, the maximum number of common shares with regard to which awards may be made during a calendar year is limited to 1% of the outstanding common shares at the beginning of that year. As demonstrated in the previous table, the number of stock options granted is well below the 1% limitation. Stock options are non-transferable except, in certain circumstances, upon the death of the holder of such stock options.

Stock Option Features

GRANT CURRENCY	SAME CURRENCY AS THE RECIPIENT'S SALARY
Exercise Price	At least equal to the closing share price of the common shares on the TSX or the NYSE (depending on the grant currency) on the grant date.
Term	Ten years
Vesting Criteria	Stock options may become exercisable on the anniversary date ("conventional stock options") and/or upon meeting performance targets ("performance options") as established for each grant. Since 2005, grants have been of conventional stock options, which vest over four years, with 25% of stock options vesting on each anniversary. Effective January 1, 2020, grants vest over five years, with 20% of stock options vesting on each anniversary.
Termination Conditions	Stock options shall be cancelled upon the termination of a participant's employment for cause or if the participant voluntarily terminates employment. In the event that a participant's employment is terminated by the Company other than for cause, all stock options held by such participant continue to vest and shall be cancelled three months after termination of the participant's employment. For awards made in 2019 and before, all vested stock options at time of termination held by such participant shall be cancelled three months after termination of the participant's employment, and all unvested stock options at time of termination shall be cancelled at termination. In the case of retirement, stock options continue to vest and shall be cancelled four years after the retirement date. For awards made in 2019 and before, stock options continue to vest and shall be cancelled three years after the retirement date Since January 1, 2019, in the event of a participant's death, all available stock options immediately vest and may be exercised by the estate within a period of twelve months from the date of death. In the event non-compete, non-solicitation, confidentiality or other conditions of the grant are breached, stock options shall be forfeited and cancelled. These conditions are subject to the discretion of the Committee.

At the 2007 annual meeting, shareholders approved an ordinary resolution confirming the addition of new amendment provisions to the MLTIP. Such amendment provisions state that the Board or the Committee, as provided in the MLTIP or pursuant to a specific delegation and in accordance with applicable legislation and regulations, may amend any of the provisions of the MLTIP or suspend or terminate the MLTIP or amend the terms of any then outstanding award of stock options under the MLTIP ("Options") provided, however, that the Company shall obtain shareholder approval for:

(i) Any amendment to the maximum number of common shares issuable under the MLTIP, except for adjustments in the event that such shares are subdivided, consolidated, converted or reclassified by the Company or that any other action of a similar nature affecting such shares is taken by the Company (a "Share Adjustment");

(ii) Any amendment which would allow non-employee directors to be eligible for new awards under the MLTIP;

(iii) Any amendment which would permit any Option granted under the MLTIP to be transferable or assignable other than by will or pursuant to succession laws (estate settlements);

(iv) The addition of a cashless exercise feature, payable in cash or common shares, which does not provide for a full deduction of the number of underlying shares from the MLTIP reserve;

(v) The addition in the MLTIP of deferred or performance share unit provisions or any other provisions which result in participants receiving common shares while no cash consideration is received by the Company;

(vi) Any reduction in the exercise price of an Option after the Option has been granted to a participant or any cancellation of an Option and the substitution of that Option by a new Option with a reduced exercise price granted to the same participant, except in the case of a Share Adjustment;

(vii) Any extension to the term of an outstanding Option beyond the original expiry date, except in the case of an extension due to a blackout period;

(viii) Any increase to the maximum number of common shares that may be issued:

a. Under the MLTIP to any participant during any calendar year; or

b. Under the MLTIP and under any other plan to any participant; and

(ix) The addition in the MLTIP of any form of financial assistance and any amendment to a financial assistance provision, which is more favourable to participants.

No amendment, suspension or termination shall, except with the written consent or the deemed consent of the participants concerned, affect the terms and conditions of Options previously granted under the MLTIP, unless the rights of the participants have terminated in accordance with the MLTIP.

On March 4, 2008, the MLTIP was amended to include a “double-trigger provision”. Pursuant to such provisions, provided that a proper substitute is granted, the vesting of non-performance-based stock options held by a participant would not accelerate upon a Change of Control, unless the participant is terminated without cause or resigns for good reason. Please refer to “Change of Control Provisions” on page 60 for more details on such amendment.

On January 27, 2015, the MLTIP was amended to make certain changes to the retirement definition. Before January 27, 2015, the retirement definition of the MLTIP was based on the retirement definition of pension plans. All reporting and non-reporting Company insiders were subject to a retirement definition providing for a minimum retirement age of 55. The amended retirement definition maintains the retirement age at 55 and introduces a minimum continuous service condition of five (5) years to be eligible for continued vesting and exercise of stock options upon retirement.

In late 2018, the Board approved changes to the MLTIP which became effective as of January 1, 2019. The retirement definition of the MLTIP was amended for awards made in 2019 and after, to the earlier of (i) 55 years of age and twelve (12) years of continuous service, or (ii) 60 years of age and seven (7) years of continuous service. Another amendment was also made to remove the three-month continued vesting provision in case of involuntary termination without cause for awards made in 2019 and after. The vested stock options at the time of involuntary termination without cause remain exercisable for a period of three months from the termination date, however no stock options become vested during such three-month period. Finally, the MLTIP was amended to provide immediate vesting of all stock options in case of death of the participant.

In July 2019, the Board approved changes to the MLTIP which became effective as of January 1, 2020. The vesting period of the stock options for awards made in 2020 and after was increased from a four-year period, with 25% of the stock options granted that vest on each anniversary date over the first four years of the grant, to a five-year period, with 20% of the stock options granted that vest on each anniversary date over the first five years of the grant. Finally, the time period to exercise stock options upon retirement for awards made in 2020 and after was increased from three to four years following the retirement date to align with the change to the vesting period.

Deferred Compensation Plans

The VIDP was introduced by the Company in 2002. This plan allows NEOs and other senior management employees to elect to defer up to 100% of their annual bonus into DSUs remitted upon retirement or termination of employment. A DSU is equivalent to a common share of the Company and earns notional dividends, which are re-invested into additional DSUs, when cash dividends are paid on the Company’s common shares. The amount deferred is converted into a number of units at the deferral date, using the closing share price on the deferral date. Deferral elections are made at least six months prior to the end of the performance period of the incentive plan.

The maximum total amount participants can defer to DSUs is equivalent to their ownership requirement under the Stock Ownership guidelines (see section on “Stock Ownership” under “Other Key Compensation Programs of the Company” on page 60 for a detailed description). The Company also credits a Company match equal to 25% of the number of DSUs resulting from an eligible deferral. These Company-matched DSUs vest over a period of four years (25% per year) from the deferral date.

Due to its tax effectiveness and the additional match provided by the Company, this plan offers an opportunity for executives to increase their ownership in CN, linking their future returns to the share price performance.

In October 2014, CN modified its VIDP to settle future award payouts in CN common shares purchased on the open market rather than cash. The changes affect DSU awards made in 2016 or after. As a result, amounts deferred in DSUs after January 1, 2016 are settled in shares upon retirement or termination (including vested Company-matched DSUs as well as notional dividends accrued over the deferral period and subject to mandatory waiting periods or monthly instalments for eligible U.S. taxpayers).

Following the modification of the VIDP, executives, including NEOs and senior management employees, were offered a one-time election to settle past DSU awards in CN common shares purchased on the open market rather than cash and according to the plan terms. All NEOs have elected to convert their settlement in common shares purchased on the open market.

No modification to the nature of the deferrals under the AIBP plan can be made, unless the Board approves an amendment to the plans.

Employment Arrangements

President and CEO

The Company has not entered into written employment agreement with the President and CEO. It has only provided an appointment letter setting forth general details of employment, which are all described in this Information Circular. The President and CEO is eligible for the same compensation, benefit plans and programs as the other executives except for the following:

- Under the AIBP, his target payout is 140% of base salary with a payout ranging from 0% to 280%.
- Mr. Ruest is required to maintain a minimum level of stock ownership equivalent to eight times his annual salary. He is also required to maintain this stock ownership level for one year following cessation of employment.
- Mr. Ruest is limited to participating in only one outside public company board.

New President and CEO

Tracy Robinson was appointed President and Chief Executive Officer in January 2022, effective February 28, 2022.

- Annual target compensation for Ms. Robinson was set within the current executive compensation framework, taking into account competitive positioning and executive experience. Under the AIBP, her target payout is 140% of base salary with a payout ranging from 0% to 280%.
- Ms. Robinson will be subject to a share ownership guideline of eight times base salary, to be achieved by the fifth anniversary of her start date.
- A special make-whole award of C$1,675,000 was provided to Ms. Robinson in order to mitigate the forfeiture of compensation she incurred by leaving TC Energy. The make-whole award was determined based on a review of her outstanding incentive compensation awards that were forfeited, both in terms of form and timing. The special award includes a combination of cash, standard CN Performance Share Units and 5-year term CN Stock Options with 2-year vesting. This combination is intended to provide an equivalent replacement for her forfeited compensation while also providing retentive value. The make-whole award is subject to a 24-month clawback provision in case of resignation or termination for cause and Performance Share Units and Stock Options are subject to non-compete provisions.
- Additionally, CN has provided Ms. Robinson with certain severance and termination provisions deemed to be appropriate in the circumstances surrounding her recruitment as President and CEO. These include 1) a severance amount in the event of an involuntary termination without cause equal to two times annual base salary plus two times target annual bonus under the AIBP and 2) continuation of 2022 long-term incentive and special make-whole equity awards in the event of an involuntary termination without cause prior to January 31, 2023.

Other NEOs

The Company has not entered into written employment agreements with the other NEOs. It has only provided appointment letters setting forth general details of employment, which are all described in this Information Circular.

Pension Plan Benefits

Pension Plans and Other Retirement Arrangements

CN Pension Plan ("CNPP") and CN Pension Plan for Senior Management ("CNPPSM")

Messrs. Ruest, Houle and Finn participate in the CNPP and CNPPSM, which are federally-registered defined benefit pension plans designed to provide retirement benefits based on pensionable years of service and highest average earnings. Highest average earnings are defined as the average pensionable earnings during the last 60 months of compensated service or the best five consecutive calendar years, whichever is greater. Under the CNPP, pensionable earnings consist of base salary and overtime. Under the CNPPSM, pensionable earnings include base salary, overtime, and bonuses paid by the Company under the AIBP, up to the employee's target level. In 2021, the aggregate annual retirement benefit payable under both plans was subject to a maximum of C$3,246 per year of pensionable service and was calculated as follows:

- 1.7% of highest average earnings up to the average year's maximum pensionable earnings (the "YMPE") as defined under the Quebec/Canada Pension Plan, multiplied by the number of years of pensionable service (maximum 35 years)

plus

- 2.0% of highest average earnings in excess of the YMPE, multiplied by the number of years of pensionable service (maximum 35 years).

Under both the CNPP and CNPPSM, if the sum of the participant's age and years of pensionable service is at least 85 and the participant is age 55 or over at the time of retirement from active employment, the participant is eligible to receive an immediate, unreduced pension, subject to the Company's consent. Retirement benefits vest immediately when participation begins.

Special Retirement Stipend

Executives and senior management employees who participate in the CNPP also participate in a non-registered, supplemental executive retirement program called the Special Retirement Stipend (the "SRS"). SRS participants enter into an agreement with the Company, which includes confidentiality, non-compete, and non-solicitation clauses.

Messrs. Ruest, Houle and Finn have each signed a SRS agreement.

The annual amount payable under the SRS equals 2% of the employee's highest average earnings in excess of the average earnings that result in the maximum pension payable under the CNPP and CNPPSM (approximately C$171,518 in 2021), multiplied by the number of years of pensionable service (maximum 35 years).

Earnings consist of base salary and bonuses paid by the Company under the AIBP, up to the employee's target level.

If the sum of the participant's age and years of pensionable service is at least 85 and the participant is age 55 or over at the time of retirement, the participant is eligible to receive an immediate, unreduced SRS benefit, subject to the conditions set out in the SRS agreement.

SRS benefits for employees who entered into an SRS agreement prior to July 1, 2002, vest after two years of employment. For employees who entered into an SRS agreement on or after July 1, 2002, the SRS benefits become vested only if the employee remains in active service for two years and until the age of 55. SRS retirement benefits are paid out of operating funds.

Mr. Ruest's annual benefit payable under the SRS is capped at C$1,000,000.

Defined Contribution Pension Plan for Executives and Senior Management ("DCPP")

Mr. Malenfant participates in the DCPP. The DCPP is a federally-registered defined contribution pension plan that was introduced for executives and senior management employees on January 1, 2006. For non-unionized employees other than executives and senior management, a separate defined contribution plan was also introduced on the same date. Executives and senior management employees hired prior to January 1, 2006, had a one-time opportunity to either join the DCPP or maintain participation in the CNPP and CNPPSM mentioned above. Messrs. Ruest, Houle and Finn elected to remain in the CNPP and CNPPSM. Executives and senior management employees hired on or after January 1, 2006, automatically join the DCPP.

Executives participating in the DCPP contribute a specific percentage of their pensionable earnings into their account and the Company contributes the same percentage, subject to the maximum contribution imposed by the *Canadian Income Tax Act* (C$29,210 in 2021).

The contribution percentage for executives depends on age and service as follows:

POINTS (SUM OF AGE AND SERVICE)	% OF PENSIONABLE EARNINGS
Up to 39	6%
40 – 49	7%
50 – 59	8%
60 and above	9%

Pensionable earnings include base salary and bonuses payable under the AIBP up to the employee's target level. All contributions vest immediately and are invested in various investment funds as selected by the participant. No withdrawals or distributions are permitted prior to employment termination.

Defined Contribution Supplemental Executive Retirement Plan ("DC SERP")

Mr. Malenfant participates in the DC SERP.

The DC SERP is a non-registered defined contribution pension plan designed to provide executives and senior management employees with retirement benefits in excess of the *Canadian Income Tax Act* limit applicable to the DCPP described above. Once contributions have reached the limit prescribed by the *Canadian Income Tax Act* in the DCPP in a given year, an amount equal to employer and employee contributions in excess of the limit is gradually credited by the Company to a notional account under the DC SERP. These notional contributions vest after two years of employment. Employees do not contribute to the DC SERP.

By default, notional contributions accrue investment credits using investment options as selected by the participant in the DCPP. However, participants can make a different investment election under the DC SERP. No withdrawals or distributions are permitted prior to employment termination.

Effective January 1, 2011, the DC SERP was amended to include certain confidentiality, non-compete, non-solicitation, and other covenants as a condition of payment of retirement benefits accruing as of the effective date.

Canadian National Railway Company Savings Plan for U.S. Operations ("401(k) Plan")

Mr. Reilly participates in the 401(k) Plan, which is a defined contribution retirement plan qualified under Section 401(a) of the *Internal Revenue Code* offered to U.S. based CN employees.

Non-unionized employees participating in the 401(k) Plan may elect to defer of up to 100% of their pensionable earnings in the plan and the Company contributes an amount equal to 50% of the first 6% of the pensionable earnings an employee elects to defer to the 401(k) Plan ("Matching Contribution"). Both employee deferrals and Matching contributions are subject to annual limits imposed by the *U.S. Internal Revenue Code*. All Matching Contributions vest immediately.

Under the defined contribution component of the 401(k) Plan, the Company makes an additional contribution for non-unionized employees of 3.5% of pensionable earnings ("Management Contribution"). Management Contributions vest after three years of employment.

Pensionable earnings include base salary and are subject to the annual compensation limit imposed by the *Internal Revenue Code* (U.S.$290,000 in 2021). The total of all contributions to the 401(k) Plan – employee deferrals, Matching Contributions and Management Contributions for any employee in a plan year are subject to an annual limit imposed by the *Internal Revenue Code* (U.S.$58,000 in 2021). All contributions are invested in various investment funds as selected by the participant.

Canadian National Railway Defined Contribution Supplemental Executive Retirement Plan ("US DC SERP")

Mr. Reilly participates in the US DC SERP.

The US DC SERP is a non-qualified defined contribution pension plan designed to provide U.S. based CN executives and senior management employees with supplemental retirement benefits in addition to the 401(k) Plan described above. The Company credits contributions to a notional account under the US DC SERP. Employees do not contribute to the US DC SERP.

The annual contribution percentage credited to executives by the Company depends on age and service as follows:

POINTS (SUM OF AGE AND SERVICE)	% OF PENSIONABLE EARNINGS
Up to 39	5%
40 – 49	6%
50 – 59	7%
60 and above	8%

Pensionable earnings include base salary and bonuses payable under the AIBP up to the employee's target level. These notional contributions vest after two years of employment. A participant's notional contributions accrue investment credits as if invested in a default investment option unless the participant makes other investment elections. No withdrawals or distributions are permitted prior to employment termination. Distributions after termination of employment are made in the number of instalments elected by the participant.

Effective January 1, 2011, the US DC SERP was amended to include certain confidentiality, non-compete, non-solicitation, and other covenants as a condition of payment of contributions accruing after 2010.

Retirement Plans Changes Effective April 1, 2024

In 2021, the Board approved the following changes to CN's retirement plans effective April 1, 2024 for all executives, senior management and management employees. These changes are part of the long-term effort to drive consistency and harmonization in CN's retirement offerings while at the same time continuing to offer employees highly attractive retirement benefits.

Effective April 1, 2024, all executives, senior management and management employees currently participating in CN's Defined Benefit pension (DB) plans will be transferred to CN's defined contribution (DC) retirement plans, which means:

- Effective on March 31, 2024, CN's DB plans will be frozen for all above mentioned employees. Accumulation of pensionable service and increases in pensionable earning after that date will not be included in the calculation of DB pension after that date.
- On April 1, 2024, all executives, senior management and management currently participating in DB plans will automatically join CN's existing DC plans.

Defined Benefit Plans Table

The following amounts have been calculated using the actuarial assumptions disclosed in Note 17—Pensions and Other Post-retirement Benefits, on page 96 of the 2021 Annual Report and in Note 15—Pensions and Other Post-retirement Benefits, on page 88 of the 2020 Annual Report, available on the Company's website at www.cn.ca and on SEDAR at www.sedar.com. The amounts calculated in this table are estimates only and are based on assumptions, which may or may not materialize. Amounts shown in this table include pension benefits from the Company's defined benefit registered pension plans and non-registered supplemental pension arrangements for 2021 and are in Canadian dollars.

NAME	NUMBER OF YEARS OF CREDITED SERVICE (#)	ANNUAL BENEFITS PAYABLE		OPENING PRESENT VALUE OF DEFINED BENEFIT OBLIGATION [4] (C$)	COMPENSATORY CHANGE (C$) [1]				NON-COMPENSATORY CHANGE [7] (C$)	CLOSING PRESENT VALUE OF DEFINED BENEFIT OBLIGATION [4] (C$)
		AT YEAR END [2] (C$)	AT AGE 65 [3] (C$)		SERVICE COST	IMPACT OF SALARY/ BONUS [5]	IMPACT OF PLAN CHANGES [6]	TOTAL		
Jean-Jacques Ruest	25.67	827,000	827,000 [8]	13,422,000	484,000	521 000	–	1,005,000	(153,000)	14,274,000
Ghislain Houle	24.32	556,000	630,000	11,740,000	449,000	114,000	(1,225,000)	(662,000)	(1,044,000)	10,034,000
Sean Finn	28.00	685,000	725,000	13,052,000	436,000	–	–	436,000	(1,092,000)	12,396,000

(1) The change in present value that is attributable to compensation includes the service cost net of employee contributions, the impact of any increase in earnings in excess or below what was assumed to be granted in the future and the impact of plan changes. The service cost net of employee contributions is the estimated value of the employer portion of benefits accrued during the calendar year.
(2) Annual benefits payable at year end represent accrued benefits as at December 31, 2021 (based on service and pay up to December 31, 2021), payable at age 65 or at unreduced retirement date, if earlier. Actual benefits payable at year end would have been reduced for employees not yet eligible for unreduced benefits.
(3) The projected pension reflects the retirement plans changes effective on April 1, 2024. Pensionable earnings and service up to March 31, 2024, if applicable, are used in the calculation. The projected pension is based on current compensation levels and assumes the executive will receive 80% of his target bonus for years 2022 to 2024. 2024 bonus, which will be paid in 2025, will be pensionable at a rate of 3/12 to account for the period prior to the retirement plans changes effective April 1, 2024 if still actively employed on December 31, 2024.
(4) The present value of the defined benefit obligation is the value of the benefits accrued for all service to the specified point in time.
(5) Highest average earnings are defined as the average pensionable earnings during the last 60 months of compensated service or the best five consecutive calendar years, whichever is greater. The impact of salary/bonus is nil for Mr. Finn because, the inclusion of the 2021 earnings in the average pensionable earnings did not result in a higher average compared to the average calculated last year.
(6) The impact of plan changes reflects the retirement plans changes approved by the Board in 2021 and effective April 1, 2024. This has no impact for Mr. Finn and Mr. Ruest as they both reach the normal retirement age of 65 before March 31, 2024 and, as per the pension retirement assumptions, are assumed to have retired before the changes are effective.
(7) The change in present value that is attributable to non-compensatory elements includes changes in assumptions, change in currency, interest cost, employee contributions, any benefit payments and experience gains and losses (other than for difference in earnings). The impact on the present value at the end of 2021 relating to non-compensatory elements was mainly due to an increase in the discount rate, a decrease in the currency exchange rate, experience gains when applicable which decreased the present value. This was partially offset by interest on the benefit obligation and experience losses when applicable.
(8) Mr. Ruest has reached age 65 in April 2020. The annual benefit shown is the annual benefit he would receive had he retired as at December 31, 2021

Defined Contribution Plans Table

The table below includes amounts from the Company's registered and non-registered defined contribution plans.

NAME	ACCUMULATED VALUE AT START OF YEAR (C$)	COMPENSATORY AMOUNT [1] (C$)	NON-COMPENSATORY AMOUNT [2] (C$)	ACCUMULATED VALUE AT YEAR END (C$)
Robert Reilly	148,042	84,372	32,271	264,685
Dominique Malenfant	42,174	111,819	24,273	178,266

(1) Represents employer contributions and notional contributions in the non-registered defined contribution plan.
(2) Represents employee contributions and, if any, investment gains and losses and notional investment credits and losses.

Non-Registered Plans Table

The following table provides the total present value of CN's non-registered defined benefit and defined contribution plans. These amounts were determined using the actuarial assumptions disclosed in Note 17—"Pensions and Other Post-retirement Benefits", on page 96 of the 2021 Annual Report and in Note 15—Pensions and Other Post-retirement Benefits, on page 88 of the 2020 Annual Report, available on the Company's website at www.cn.ca and on SEDAR at **www.sedar.com**. Amounts include the value of pension benefits for active, deferred and retired executive and senior management participants for 2021.

PLANS	OPENING PRESENT VALUE OF BENEFIT OBLIGATION (C$)	CLOSING PRESENT VALUE OF BENEFIT OBLIGATION (C$)
Non-Registered Defined Benefit Plans in Canada and the U.S.	518,600,000	440,100,000 [1]
Non-Registered Defined Contribution Plans in Canada and the U.S.	7,468,000	8,424,000

(1) The decrease in the present value at the end of 2021 for defined benefit plans was mainly due to an increase in the discount rate, a decrease in the currency exchange rate, experience gains and the impact of benefit payments. This was partially offset by benefit accruals and interest on the benefit obligation.

Termination and Change of Control Benefits

The Company does not have contractual arrangements or other agreements in connection with termination, resignation, retirement, Change of Control or a change in responsibilities of a NEO, other as described below in respect of the new President and CEO and other than the conditions provided in the compensation plans, and summarized as follows:

	RESIGNATION	INVOLUNTARY TERMINATION	RETIREMENT [3]	CHANGE OF CONTROL	TERMINATION FOR CAUSE
Annual Incentive Bonus Plan	Forfeits eligibility for the plan	Entitled to a bonus based on corporate, safety and strategic performance metrics and pro-rated on active service in plan year (minimum of three months)	Entitled to a bonus based on corporate, safety and strategic performance metrics and pro-rated on active service in plan year (minimum of three months), subject to providing a three-month notice period prior to retirement	No specific provision	Forfeits eligibility for the plan
Stock Options [1]	All stock options are cancelled	Grants made before January 2019 Continued vesting for three months Exercise of vested stock options within three months or otherwise forfeited Subject to compliance with the two-year non-compete, non-solicitation and confidentiality provisions Grants made since January 2019 Exercise of vested stock options upon involuntary termination within three months or otherwise forfeited Subject to compliance with the two-year non-compete, non-solicitation and confidentiality provisions	Grants made before January 2020: continued vesting for three years if the executive remains in continuous and active service until the last day of the year in which the grant was made; exercise of vested stock options within three years or otherwise forfeited Grants made since January 2020: continued vesting for four years if the executive remains in continuous and active service until the last day of the year in which the grant was made; exercise of vested stock options within four years or otherwise forfeited Subject to compliance with the two-year non-compete, non-solicitation and confidentiality provisions	If proper substitute is granted, immediate vesting would occur only if participant is terminated without cause or resigns for good reason [2] within two years of the Change of Control	All stock options are cancelled
Performance Share Units [1]	All PSUs are cancelled	Grants made since January 2019 Partial payout if performance measures are met and pro-rated based on the number of months of active service during the plan period Subject to compliance with the two-year non-compete, non-solicitation and confidentiality provisions	Full payout if performance measures are met and if the executive remains in continuous and active service until March 31 of the year following the year in which the grant was made Subject to compliance with the two-year non-compete, non-solicitation and confidentiality provisions	If proper substitute is granted, immediate vesting would occur only if participant is terminated without cause or resigns for good reason [2] within two years of the Change of Control	All PSUs are cancelled
Deferred Share Units	Payment of all vested units, including the vested Company-matched DSUs	Payment of all vested units, including the vested Company-matched DSUs	Payment of all vested units, including the vested Company-matched DSUs	Immediate vesting of unvested Company-matched DSUs	Payment of all vested units, including the vested Company-matched DSUs
Registered Pension Plans	Payment of vested benefits	Payment of vested benefits	Payment of vested benefits	Payment of vested benefits	Payment of vested benefits
Non-Registered Pension Plans and Arrangements [1]	Payment of vested benefits	Payment of vested benefits Subject to compliance with the two-year non-compete, non-solicitation and confidentiality provisions	Payment of vested benefits Subject to compliance with the two-year non-compete, non-solicitation and confidentiality provisions	Payment of vested benefits	Payment of vested benefits, except for SRS benefits which are forfeited

(1) In the event of resignation, involuntary termination, retirement or Change of Control, the payment of awards or vested benefits is subject to certain non-compete, non-solicitation, non-disclosure of confidential information and other restrictive provisions as per the respective plan rules and arrangements.

(2) A resignation for good reason may take place only during the 24 months following a Change of Control if (i) the executive is required to relocate his or her office or home base to a location that is outside a 100-kilometer radius of his or her office or home base immediately prior to the Change of Control or (ii) the executive is assigned a set of responsibilities and/or the employment or continued employment of the executive on terms and conditions that are not the substantial equivalent of such executive's set of responsibilities and/or terms and conditions of employment in effect immediately prior to the Change of Control.

(3) For awards made in 2019 and after, the retirement definition (previously 55 years of age and 5 years of continuous service) for the PSUs and the Stock Options has been changed to the earlier of (i) 55 years of age and 12 years of continuous service, or (ii) 60 years of age and 7 years of continuous service. The same definition also applies to the AIBP starting on January 1, 2020.

Involuntary Termination

In the event of an involuntary termination, a NEO would receive a severance amount generally in line with applicable legal requirements. No incremental amounts would be payable. Share-based awards, option-based awards and other benefits will be treated according to the terms of the plans under which they were granted, as described in the summary "Termination and Change of Control Benefits" table on page 78.

New President and CEO

CN has provided Ms. Robinson with certain severance and other termination provisions deemed to be appropriate in the circumstances surrounding her recruitment as President and CEO. Pursuant to her employment arrangement, Ms. Robinson would receive a cash severance amount in the event of an involuntary termination without cause equal to two times annual base salary plus two times target annual bonus under AIBP payable over a 24-month period. Furthermore, in the event of an involuntary termination without cause occurring prior to January 31, 2023, the Company would allow for the continuation of her 2022 long-term incentive and special make-whole equity awards. In that scenario, she would receive full payout of the 2022 Performance Share Units in accordance with their terms if the performance measures are met, and her stock options would continue to vest and continue to be exercisable for a period of four years.

Retirement

On December 31, 2021, Mr. Malenfant was eligible for retirement under the registered defined contribution plan but would have forfeited his DC SERP had he retired on December 31, 2021. Had Mr. Reilly retired on December 31, 2021, he would have been eligible to receive his accumulated 401(k) and DC SERP account balance but would have forfeited the accumulated Management Contributions within the 401(k). Messrs. Ruest, Houle and Finn were eligible for retirement, but Mr. Houle did not have sufficient service for unreduced retirement benefits under the defined benefit plans. Had Messrs. Ruest, Houle, Finn, Reilly and Malenfant retired on December 31, 2021, no other material payments or benefits would have been payable. Share-based awards, option-based awards and other benefits are treated according to the terms of the plans under which they were granted, as described in the summary "Termination and Change of Control Benefits" table on page 78.

Change of Control

The following table shows the incremental benefits that NEOs would have been entitled to had there been a change of control on December 31, 2021.

NAME	SHARE UNITS PLAN (1) (C$)	STOCK OPTIONS (1) (C$)	DEFERRED SHARE UNITS (2) (C$)	TOTAL (C$)
Jean-Jacques Ruest	–	–	–	–
Ghislain Houle	–	–	–	–
Robert Reilly	–	–	–	–
Sean Finn	–	–	–	–
Dominique Malenfant	–	–	–	–

(1) An NEO would be eligible for immediate vesting only if no proper substitute is granted, or if the executive is terminated without cause or resigns for good reason within two years of the change of control.

(2) An NEO would be eligible for immediate vesting of the unvested Company-matched deferred share units allocated to an executive following the deferral of compensation in previous years (see "Deferred Compensation Plans" section on page 74 for a description of the VIDP). The value shown is equal to the number of deferred share units that would vest multiplied by the closing share price of common shares on December 31, 2021 (C$155.38).

Currency Exchange Information

Compensation disclosed in the "Statement of Executive Compensation" section that is paid in U.S. dollars was converted to Canadian dollars using the following currency exchange rates:

	EXCHANGE RATE USED	ACTUAL RATE U.S.$1 = C$X
Salary All other compensation	AVERAGE RATE DURING THE YEAR	
	2021:	1.2535
	2020:	1.3415
	2019:	1.3269
Annual incentive bonus plan	WHEN BONUS IS EARNED (I.E. DECEMBER 31)	
	December 31, 2021:	1.2637
	December 31, 2020:	1.2725
	December 31, 2019:	1.2990
Pension value, Value of unexercised in-the-money options, Market value of share-based awards that have not vested, Non-equity incentive plan compensation – Value earned during the year, Termination scenarios – incremental costs	DECEMBER 31 (DECEMBER 31 OF PRIOR YEAR FOR PENSION VALUE)	
	December 31, 2021:	1.2637
	December 31, 2020:	1.2725
	December 31, 2019:	1.2990
	December 31, 2018:	1.3637
Option-based awards – Value vested during the year	ACTUAL VESTING DATE OF APPLICABLE GRANTS:	
	September 1, 2021:	1.2620
	January 30, 2021:	1.2777
	June 25, 2021:	1.2292
	January 31, 2021:	1.2777
	July 27, 2021:	1.2602
	March 19, 2021:	1.2500
	March 9, 2021:	1.2638
	January 24, 2021:	1.2733
	January 27, 2021:	1.2799
	January 28, 2021:	1.2830

Securities Authorized for Issuance Under Equity Compensation Plans

The table below indicates, as at December 31, 2021, certain information with respect to the Company's Management Long-Term Incentive Plan.

PLAN CATEGORY	NUMBER OF SECURITIES TO BE ISSUED UPON EXERCISE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS (#)	WEIGHTED AVERAGE EXERCISE PRICE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS (C$)	NUMBER OF SECURITIES REMAINING AVAILABLE FOR FUTURE ISSUANCE UNDER EQUITY COMPENSATION PLANS (EXCLUDING SECURITIES REFLECTED IN THE FIRST COLUMN) (#)
Equity compensation plans approved by securityholders	3,581,583	105.32	13,674,610
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
TOTAL	**3,581,583**	**105.32**	**13,674,610**

Indebtedness of Directors and Executive Officers

As of the date hereof, there was no outstanding indebtedness of current and former directors or officers of the Company and its subsidiaries, whether entered into in connection with the purchase of common shares of the Company or otherwise.

Interest of Informed Persons and Others in Material Transactions

The management of the Company is not aware of any material interest, direct or indirect, of any informed person of the Company, any proposed director or any associate or affiliate of any "informed person" (as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) or proposed director in any transaction since the commencement of the Company's most recently completed financial year, or in any proposed transaction, that has materially affected or would materially affect the Company or any of its affiliates or subsidiaries.

Shareholder Proposals

Shareholder proposals to be considered at the 2023 annual meeting of shareholders must be received at the head office of the Company no later than January 5, 2023, to be included in the Information Circular for such annual meeting.

Availability of Documents

The Company is a reporting issuer in Canada and the U.S. and is required to file various documents, including an annual information form and financial statements. Financial information is provided in the Company's comparative financial statements and Management's Discussion and Analysis for its most recently completed financial year. Copies of these documents and additional information relating to the Company are available on SEDAR at www.sedar.com and on the SEC website at www.sec.gov through EDGAR, or may be obtained on request from the Corporate Secretary of the Company by calling (514) 399-7091 or Investor Relations at (514) 399-0052.

Approval

The Board of Directors of the Company has approved the contents of this Information Circular and its sending to the shareholders of the Company.

Sean Finn

Sean Finn
Executive Vice-President,
Corporate Services and Chief Legal Officer

April 5, 2022

Schedule "A" | Mandate of the Board

The Board has clearly delineated its role and the role of management. The role of the Board is to supervise the management of CN's business and affairs, with the objective of creating value for shareholders and taking into account the interests of other stakeholders. Management's role is to conduct the day-to-day operations in a way that will meet this objective.

The Board, in consultation with management, establishes and is responsible for the company's strategic direction and its overall policies. In doing so, the Board provides governance and stewardship to CN which consists of reviewing corporate strategy, assigning responsibility to management for achievement of that strategy, establishing limitations on the authority delegated to management and overseeing performance against approved objectives. The Board regularly reviews CN's strategic plan to ensure that it continues to be responsive to the changing business environment in which CN operates.

The Board has decision making responsibility and approves all matters expressly required herein, under the Canada Business Corporations Act and other applicable legislation and CN's Articles and By-laws. The Board may assign to Board committees the prior review of any issues it is responsible for, or as required by applicable laws. The Board can delegate approval of matters to a committee or seek a recommendation from a committee for approval by the Board. The Board has delegated the approval of certain matters to management pursuant to its Standing Resolutions on Delegation of Authority, as amended from time to time.

Meetings of the Board are held at least seven times a year and as necessary.

As part of its stewardship responsibility, the Board advises management on significant business issues and has the following responsibilities:

A. Approving CN's Strategy

- adopting a strategic planning process, approving and reviewing, on at least an annual basis, a business plan and a strategic plan and framework which take into account, among other things, the opportunities and risks of the business, and monitoring the implementation of the business plan and strategic plan by management.

B. Assessing and Overseeing the Succession Planning of Executive Management

- Choosing the President and Chief Executive Officer (the "President and CEO"), appointing executive management and monitoring the President and CEO and his direct reports' performance taking into consideration Board expectations and fixed objectives, approving the President and CEO's corporate goals and objectives and approving annually the compensation of the President and CEO and his direct reports;
- ensuring that an appropriate portion of the President and CEO and executive management compensation is tied to both the short- and longer-term performance of CN and aligned to the Company's strategic goals and objectives; and
- taking all reasonable steps to ensure that processes are in place for the recruitment, training, development and retention of executives who exhibit the highest standards of competence and integrity.

C. Monitoring Corporate Governance Issues and Board Renewal

- monitoring the size and composition of the Board to favour effective decision-making;
- taking all reasonable measures to satisfy itself as to the integrity of management and that management creates a culture of integrity throughout CN;
- monitoring and reviewing, as appropriate, CN's approach to governance issues and monitoring and reviewing, as appropriate, CN's Corporate Governance Manual and policies and measures for receiving shareholder feedback;
- taking all reasonable steps to ensure the highest quality of ethical standards, including reviewing, on a regular basis, the Code of Business Conduct applicable to CN's directors, its President and CEO, senior financial officers, other executives and employees, monitoring compliance with such code, approving any waiver from compliance with the code for directors and executive officers and ensuring appropriate disclosure of any such waiver, including transactions involving CN and related parties;
- ensuring the regular performance assessment of the Board, Board committees, Board and committee chairs and individual directors and determining their remuneration;
- approving the list of Board nominees for election by shareholders and filling Board vacancies;
- adopting and reviewing orientation and continuing education programs for directors;
- overseeing the disclosure of a method for interested parties to communicate directly with the Board Chair or with the non-management directors as a group; and
- ensuring a Board succession and renewal plan is in place.

D. Monitoring Financial Matters and Internal Controls

- monitoring the quality and integrity of CN's accounting and financial reporting systems, disclosure controls and procedures, internal controls and management information systems, including by overseeing:
  - (i) the integrity and quality of CN's financial statements and other financial information and the appropriateness of their disclosure;
  - (ii) the review of the Audit, Finance and Risk Committee on external auditors' independence and qualifications;
  - (iii) the performance of CN's internal audit function and of CN's external auditors;
  - (iv) CN's compliance with applicable legal and regulatory requirements (including those related to environment, safety and security);
- ensuring that an appropriate risk assessment process is in place to identify, assess and manage the principal risks of CN's business and financial strategy, including climate change and other environmental, social and governance risks; and
- adopting communications and disclosure policies and monitoring CN's investor relations programs.

E. Monitoring Sustainability, Safety and Security Matters

- monitoring and reviewing, as appropriate, CN's sustainability, safety and security policies and practices;
- evaluating public issues of significance that may affect CN's business, operations and stakeholders, including social, political and environmental trends;
- monitoring CN's Climate Action Plan and the Company's progress against its set targets under such Plan.

F. Monitoring Pension Fund Matters

- monitoring and reviewing, as appropriate, CN's pension fund policies and practices, including the investment policies of the Canadian National Railway Pension Trust Funds or any other pension trust fund established in connection with a new pension plan or any other pension plan offered or administered by CN (the "CN's Pension Trust Funds"); and
- approving the annual budget of the Investment Division of CN's Pension Trust Funds.

The non-executive Board members meet before or after every Board meeting without the presence of management and under the chairmanship of the Board Chair. If such group includes directors who are not independent, an executive session including only independent directors is held regularly.

Board members are expected to demonstrate a high level of professionalism in discharging their responsibilities. They are expected to attend the meetings of the Board and of the Board committees on which they sit and to rigorously prepare for and actively participate in such meetings. They should review all meeting materials in advance. They are also expected to be available to provide advice and counsel to the President and CEO or other corporate officers of CN upon request.

The Board annually reviews the adequacy of its mandate.

Schedule "B" | Reports of the Committees

The following are reports of each Board committee for the year 2021 and up to April 5, 2022. These reports provide details on the activities of each committee but are not meant to be exhaustive. The Charter of each Committee is available in our Corporate Governance Manual available on our website at **www.cn.ca**.

Report of the Audit, Finance and Risk Committee

The role of the Audit, Finance and Risk Committee is to assist the Board in fulfilling its oversight responsibilities with respect to the Company's financial reporting, monitoring risk management, internal controls and internal and external auditors.

CURRENT MEMBERS

R.L. Phillips (Chair), M. A. McKenzie, K.G. Lynch, D. Gray, S. Bruder, J.E. O'Connor.

Highlights

The Audit, Finance and Risk Committee, in accordance with its mandate:

Financial Information

- reviewed and approved annual and quarterly results, Management's Discussion and Analysis and the earnings press releases of the Company;
- reviewed the independent auditors' reports of the external auditors on the consolidated financial statements and the internal controls over financial reporting of the Company, and on the financial statements of CN's Pension Trust Funds;
- reviewed financial information contained in the Annual Information Form, the Form 40-F and other reports requiring Board approval;
- reviewed and approved the Audit, Finance and Risk Committee Report and other information appearing in the Information Circular;
- reviewed analysis and communications materials prepared by management, the internal auditors or external auditors setting forth any significant financial reporting issues;
- reviewed the compliance of management's certification of financial reports with applicable legislation;
- reviewed, with the external auditors and management, the quality, appropriateness and disclosure of the Company's critical accounting principles and policies, underlying assumptions and reporting practices, and any proposed changes thereto;
- reviewed judgments made in connection with the preparation of the financial statements, if any, including analyses of the effect of alternative generally accepted accounting principles and/or methods;
- reviewed with external auditors and management, changes in accounting for CN's pension plans and other postretirement benefits; and
- held *in camera* meetings with certain members of management.

Internal Auditors

- reviewed and approved the internal audit plan and Internal Audit Charter;
- monitored the internal audit function's performance, its responsibilities, staffing, budget and the compensation of its members; and
- held *in camera* meetings with the Chief, Internal Audit.

External Auditors

- reviewed and approved the results of the external audit;
- recommended to the Board the appointment and terms of engagement of the Company's external auditors;
- evaluated, remunerated and monitored the qualifications, performance and independence of the external auditors;
- discussed, approved and oversaw the disclosure of all audit, review and attest services provided by the external auditors;
- determined which non-audit services the external auditors are prohibited from providing, and pre-approved and oversaw the disclosure of permitted non-audit services by the external auditors to the Company, in accordance with applicable laws and regulations;
- reviewed the formal statement from the external auditors confirming their independence and reviewed hiring policies for employees or former employees of the Company's external auditors; and
- held *in camera* meetings with external auditors.

Risk Management
- reviewed the Company's risk assessment, including risk oversight and risk management policies under the Enterprise Risk Management, including information technology risk management, and Business Interruption management;
- assisted the Board with the oversight of the Company's compliance with applicable legal and regulatory requirements; and
- oversaw the Company's cybersecurity program for Operations and Information Technologies.

Internal Control
- received management's report assessing the adequacy and effectiveness of the Company's disclosure controls and procedures and systems of internal control;
- reviewed procedures established for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters or employee concerns regarding accounting or auditing matters; and
- reviewed minutes of the Corporate Disclosure Committee meetings.

Financial Policies and Strategy
- provided oversight with respect to CN's capital structure, cash flows and key financial ratios;
- made recommendations to the Board with respect to the Company's financial policies and practices and financial matters affecting the Company including the Company's Capital Allocation Strategy and Capital Budget;
- reviewed CN's strategy regarding distributions to shareholders, including strategy with respect to dividends and share repurchases;
- reviewed policies regarding financial risk management, short-term investment and credit; and
- reviewed the Company's credit ratings and monitored the Company's activities with respect to credit rating agencies.

Financing
- reviewed the Company's liquidity position, including the Company's capital expenditures, capital structure, financing plan and short-term investments;
- approved a shelf prospectus for the issuance of an aggregate principal amount of C$6 billion of debt securities;
- reviewed and recommended financing strategy and structure in connection with the KCS acquisition;
- reviewed and recommended an increase and extension of the Company's revolving credit facilities;
- reviewed and recommended an increase of the Company's commercial paper programs;
- reviewed and recommended a new C$1B credit facility; and
- approved potential debt offerings and related hedging transactions.

Financial Activities
- recommended decisions related to indebtedness of the Company, as well as loans, guarantees or extension of credit;
- reviewed Treasury and transactional activities;
- recommended decisions related to derivative financial instruments;
- reviewed and recommended new share repurchase programs and related progress reports;
- made recommendations to the Board with respect to the declaration of dividends;
- reviewed progress made under the Procurement and Supply Management three-year plan;
- reviewed, recommended and monitored significant capital and other expenditures for strategic projects, equipment and rail infrastructure, as well as material purchases of products and services;
- oversaw internal auditors reports on post-completion audits of selected capital projects approved by the Board; and
- reviewed and recommended the continued use of the end user exemption for derivative instruments under the Dodd-Frank Act.

Committee Performance
- reviewed the processes in place to evaluate the performance of the Audit, Finance and Risk Committee.

Other
- monitored the tax affairs of the Company.

Submitted by the members of the Audit, Finance and Risk Committee.

Report of the Governance, Sustainability and Safety Committee

The role of the Governance, Sustainability and Safety Committee is to assist the Board in fulfilling its oversight responsibilities with respect to corporate governance matters which include developing, reviewing and monitoring criteria for selecting directors and reviewing the corporate governance guidelines applicable to the Company.

CURRENT MEMBERS
S. Bruder (Chair), R. Pace, D. Gray, J. M. Howell, K.G. Lynch, L. Stein.

Highlights

The Governance, Sustainability and Safety Committee, in accordance with its mandate:

Composition of the Board and its Committees

- reviewed the size and composition of the Board and assisted the Board in determining Board Committee size, composition and mandate;
- reviewed and recommended updates to the Corporate Governance Manual;
- amended the Board Committees' structure to ensure streamlining of the Board Committees' operations;
- reviewed the Board's diversity targets;
- reviewed directors' independence and financial literacy;
- reviewed criteria for selecting directors and assessed the competencies and skills of the Board members in relation to the Company's circumstances and needs;
- identified Board candidates with a focus on the Board's desired skills and competencies, geographical representation and the Board's diversity target, and recommended director nominees for the next annual meeting of shareholders; and
- reviewed director succession and board renewal and evergreen list.

Performance of the Board and its Committees

- reviewed the performance of the Board, Board Committees, Board and Committee Chairs and Board members, including reviewing the Board, Committee, and Chair evaluation process and the development of Information Circular questionnaires.

Director Compensation

- reviewed the compensation of non-executive Board members.

Continuing Education for Directors

- monitored and reviewed the Company's orientation and continuing education programs for directors.

Corporate Governance Initiatives

- reviewed and recommended changes to the Company's corporate governance guidelines and monitored disclosure of such guidelines in accordance with applicable rules and regulations;
- monitored developments, proposed rule changes and amendments to securities laws, disclosure and other regulatory requirements;
- assisted the Board with the oversight of the Company's corporate governance and monitored legal and regulatory requirements, as well as best practices;
- reviewed, monitored and oversaw compliance with CN's Code of Business Conduct;
- reviewed progress reports on diversity and inclusion and reviewed CN's Diversity Policy with respect to Director and Executive Management positions;
- reviewed the annual report of CN's Ombudsman;
- reviewed adherence to the Company's Aircraft Utilization Policy;
- reviewed the Company's corporate disclosure, including the Information Circular, the Annual Information Form, and the Annual Report;
- recommended to the Board a date and location for the annual meeting of shareholders; and
- monitored the Investor Relations Program and reviewed feedback from shareholders and shareholder associations.

Environmental, Health and Safety

- reviewed the implementation of environmental, safety and security policies, procedures and guidelines;
- oversaw the review of the Company's health and safety performance and related management action plans, and ensured safety initiatives were fully aligned with and reinforced CN's safety culture and goal of being the safest Class I railroad in North America;
- monitored the implementation of the Company's Climate Action Plan;
- reviewed the Company's business plan to ensure that environmental, safety and security concerns are taken into consideration therein;
- ensured the development and implementation of appropriate employee training standards in line with the Company's environmental, health and safety goals and policies;
- reviewed all significant safety and security matters;
- reviewed Canadian and U.S. environmental and safety, legal and regulatory developments of importance to the Company; and
- oversaw the Company's Environmental, Sustainability, and Governance disclosures, including CN's Climate Action Plan Report for inclusion in CN's Information Circular.

Donations and Sponsorship

- reviewed and approved the Company's general donations and sponsorships strategy and goals;
- reviewed and approved the Company's budget for donations and sponsorships; and
- reviewed the Railroaders in the Community Program.

Committee Performance

- reviewed the processes in place to evaluate the performance of the Governance, Sustainability and Safety Committee.

Other

- monitored developments regarding CN's Indigenous Advisory Council.

Submitted by the members of the Governance, Sustainability and Safety Committee.

Report of the Human Resources and Compensation Committee

The role of the Human Resources and Compensation Committee is to assist the Board in fulfilling its oversight responsibility of monitoring executive management's performance assessment, compensation, succession planning and human resources practices.






CURRENT MEMBERS

K.G. Lynch (Chair), R. Pace, R.L. Phillips, J.M. Howell, S. Bruder, D. Gray.

Highlights

The Human Resources and Compensation Committee, in accordance with its mandate:

Succession Planning

- analyzed succession pipeline to mitigate risk and bring greater emphasis on diverse talent, including in-depth functional talent reviews;
- launched an international search process for the position of President and CEO and recommended the appointment of a new President and CEO;
- reviewed leadership teams and functional organizational structures to ensure strong incumbent fit, including supplementing talent and skills with external hires;
- increased data driven decision-making through dashboards and scorecards, creating leadership accountability and tracking progress; and
- identified how best to monitor performance and create key indicators to assess and measure delivery against value allocation.

President and Chief Executive Officer Compensation

- reviewed corporate goals and objectives relevant to the President and Chief Executive Officer, evaluated his annual performance based on those goals and objectives and recommended compensation based on this evaluation, for approval by the Independent Board members; and
- developed performance objectives in conjunction with the President and Chief Executive Officer.

Appointment of Executive Management

- recommended the appointment of executive management and approved the terms and conditions of their appointment and termination or retirement.

Executive Compensation

- reviewed the validity of the Company's benchmark group used in determining the compensation of executives;
- reviewed the evaluation of the direct reports of the President and CEO's performance and recommended to the Board their compensation;
- examined and reviewed elements of executive compensation and reported on compensation practices;
- monitored any potential risks that could arise from CN's compensation programs and practices, while ensuring proper risk identification and mitigation practices were in place;
- reviewed performance of NEOs
- reviewed the Company's annual performance as measured under the AIBP;
- closely monitored bonus outlook and recommended to the Board payout under the AIBP, as well as PSU vesting outlook;
- reviewed and recommended proposed bonus targets and performance targets related to PSUs; and
- reviewed and recommended changes to the AIBP.

Executive Compensation Disclosure

- produced for review and approval by the Board a report on executive compensation for inclusion in the Information Circular.

Compensation Philosophy

- monitored the compensation philosophy and policy that rewards the creation of shareholder value and reflects the appropriate balance between the short- and longer-term performance of the Company; and
- monitored the Company policy relating to the positioning of total direct compensation for executives.

Pension Plans

- reviewed and recommended pension plan amendments.

Human Resources Initiatives

- monitored pension and strategic labour and social issues;
- reviewed and discussed strategies for hiring, training, engaging, and developing diverse talent; and
- reviewed and discussed strategies for workforce planning.

Committee Performance

- reviewed the processes in place to evaluate the performance of the Human Resources and Compensation Committee; and
- retained the service of independent compensation advisors to help it carry out its responsibilities and approved appropriate fees for such services.

Submitted by the members of the Human Resources and Compensation Committee.

Report of the Pension and Investment Committee

The role of the Pension and Investment Committee is to review pension-related matters broadly, including, reviewing the activities of CNID, reviewing and approving CNID Incentive Plan and award payouts thereunder, advising CNID on investment of assets of CN's Pension Trust Funds, approving certain of the investments made by CN's Pension Trust Funds, and being informed of all matters related to pension liabilities or that are otherwise relevant in developing CN's pension risk management strategy and pension plan design. The Pension and Investment Committee is a mixed committee composed of members of the Board of Directors as well as officers of the Company (not shown here).

CURRENT MEMBERS
L. Stein (Chair), M.A. McKenzie, J.M. Howell, J.E. O'Connor.

Highlights

The Pension and Investment Committee, in accordance with its mandate:

- reviewed the activities of CNID and advised CNID on investment of assets of CN's Pension Trust Funds in accordance with applicable policies and procedures;
- reviewed and approved the Statements of Investment Policies and Procedures for CN's pension plans;
- reviewed and approved the Investment Strategy of CNID;
- reviewed and approved CNID Incentive Plans and any award payouts thereunder;
- reviewed and approved the annual budget of CNID;
- in conjunction with the President and Chief Executive Officer of CN, oversaw and determined the hiring, compensation, performance assessment, leadership development and succession planning of CNID executives, including the President and CEO of CNID, subject to the approval of the Human Resources and Compensation Committee and the Board, only as to the President and Chief Executive Officer of CNID;
- approved the overall pension risk management strategy and reporting thereon to the Board;
- oversaw implementation of the overall pension risk management strategy by the Pension Advisory Working Committee and CNID;
- reviewed and recommended to the Board actuarial valuations and funding of CN's pension plans;
- reviewed management's assessment of the effectiveness of internal controls relating to CN's pension plans and the CN Pension Trust Funds;
- reviewed and approved the governance structure of the management Pension Advisory Working Committee; and
- appointed members of the management Pension Advisory Working Committee and its Chair.

Committee Performance

- reviewed the processes in place to evaluate the performance of the Pension and Investment Committee.

Submitted by the members of the Pension and Investment Committee.

Schedule "C" | Additional Audit, Finance and Risk Committee Disclosure

National Instrument 52-110 — *Audit Committees* of the CSA requires issuers to include the charter of their audit committee and disclose information with respect to the composition, education and experience of the members of their audit committees, as well as all fees paid to external auditors in their annual information form. We comply with the requirements regarding composition and responsibilities, as summarized hereinafter, and we refer to our Annual Information Form — section "9.2 Audit Committee Disclosure" and "Schedule A" — available on SEDAR at **www.sedar.com** and on our website at **www.cn.ca**, under Investors for a description of the education and relevant experience of the Audit, Finance and Risk Committee members and with regards to the charter of our Audit, Finance and Risk Committee.

The Audit, Finance and Risk Committee met five times in 2021, and prior to the creation of the Audit, Finance and Risk Committee, the Audit Committee met three times and the Finance Committee met two times, and held in camera sessions at each meeting. The report of the Audit, Finance and Risk Committee, set forth in Schedule B of this Information Circular, outlines the major subject areas reviewed by the Committee during the year, in compliance with its mandate.

Non-Audit Services

The mandate of the Audit, Finance and Risk Committee provides that the Audit, Finance and Risk Committee determines which non-audit services the external auditors are prohibited from providing, approves audit services and pre-approves permitted non-audit services to be provided by the external auditors. CN's Audit, Finance and Risk Committee and the Board of Directors have adopted resolutions prohibiting the Company from engaging KPMG LLP to provide certain non-audit services to the Company and its subsidiaries, including bookkeeping or other services related to the accounting records or financial statements, financial information systems design and implementation, appraisal or valuation services, fairness opinions, contribution in-kind reports, actuarial services, internal audit outsourcing services, management functions or human resources functions, broker or dealer, investment advisor, or investment banking services and legal services and expert services unrelated to the audit. Pursuant to such resolutions, the Company may engage KPMG LLP to provide non-audit services, including tax services, other than the prohibited services listed above, but only if the services have specifically been pre- approved by the Audit, Finance and Risk Committee.

Audit, Finance and Risk Committee Report Regarding Internal Control Over Financial Reporting

The Audit, Finance and Risk Committee periodically received management's report assessing the adequacy and effectiveness of our disclosure controls and procedures and systems of internal control in respect of the 2021 fiscal year. The Company's external auditors, KPMG LLP, are responsible for performing an independent audit of our consolidated financial statements in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board ("PCAOB") in the U.S., and an independent audit of the effectiveness of internal controls over financial reporting, in accordance with the standards of the PCAOB. These audits serve as a basis for KPMG LLP's opinions addressing whether the consolidated financial statements fairly present our financial position, results of operations, and cash flows in conformity with U.S. Generally Accepted Accounting Principles ("GAAP").

The Audit, Finance and Risk Committee has discussed with KPMG LLP the matters required to be discussed by the PCAOB Auditing Standards No. 16 (Communication With Audit Committees) and Chartered Professional Accountants of Canada ("CPA") Handbook — Assurance Section 260 (Communications With Those Charged With Governance) including matters relating to the conduct of the audit of our financial statements and the assessment of the effectiveness of our internal control over financial reporting under section 404 of the Sarbanes-Oxley Act.

KPMG LLP provided the Committee with written disclosures and the letter required by Rule 3526 of the PCAOB. The Audit, Finance and Risk Committee has discussed with KPMG LLP the firm's independence from the Company. A formal written statement describing all relationships between KPMG LLP and the Company was remitted to the Audit, Finance and Risk Committee and it includes a written confirmation that KPMG LLP are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation and are independent public accountants with respect to the Company within the meaning of all relevant U.S. professional and regulatory standards, including the independence rules adopted by the SEC pursuant to the Sarbanes-Oxley Act, and Rule 3520 of the PCAOB.

Based on this review and these discussions, the Audit, Finance and Risk Committee recommended to the Board that the Company's audited consolidated financial statements be filed with Canadian securities regulators and be included in the Company's annual report on Form 40-F for the year ended December 31, 2021 filed with the SEC.

Education and Relevant Experience of the Audit, Finance and Risk Committee Members

The Board of Directors believes that the composition of the Audit, Finance and Risk Committee reflects a high level of financial literacy and experience. As required in the charter of the Audit, Finance and Risk Committee, all members of the Committee are financially literate, as such term is defined under Canadian and U.S. securities laws and regulations and the NYSE Corporate Governance Standards, and several members of the Committee meet all criteria to be designated as "audit committee financial expert" under the rules of the SEC. The Board has made such determination based on the education and experience of each Committee member.

In determining if a director is an "audit committee financial expert", the Board considers if the director is a person who has: (a) an understanding of generally accepted accounting principles and financial statements; (b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves; (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more persons engaged in such activities; (d) an understanding of internal controls and procedures for financial reporting; and (e) an understanding of audit committee functions.

All members of the Audit, Finance and Risk Committee are **financially literate** and several members are audit committee financial experts.

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The Forest Stewardship Council® (FSC®) is an international certification and labelling system for products that come from responsibly managed forests, and verified recycled sources. Under FSC certification, forests are certified against a set of strict environmental and social standards, and fibre from certified forests is tracked all the way to the consumer through the chain of custody-certification system.

CN shows its concern for protecting the environment through the use of certified paper.

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