



1.1 Governance, Sustainability and Safety Committee

1.1.1 PURPOSE

The purpose of the GSS Committee is to assist the Board in fulfilling its oversight responsibilities in relation to governance, safety and sustainability, including:

- identifying qualified individuals to become board members;
- determining the composition of the board and its committees;
- monitoring a process to assess board effectiveness;
- developing and implementing the company's corporate governance policies and practices;
- overseeing the company's governance structure and processes;
- overseeing policies, practices and metrics relating to environmental, social, governance ("ESG"), climate change, and other corporate responsibility matters, including those related to Equity, Diversity and Inclusion, and related operational and reputational risks and opportunities relevant to CN;
- assessing and monitoring CN's environmental, safety and security policies and practices, including CN's climate action plan;
- assessing and monitoring CN's key environment, sustainability and safety metrics (including those related to climate change) and progress against established goals and reviewing related public disclosures; and
- any additional matters delegated to the GSS Committee.

1.1.2 MEMBERSHIP

- **Number.** The Board shall appoint a minimum of five directors to be members of the GSS Committee.
- **Independent Directors.** Only independent directors, as determined by the Board and under Canadian and U.S. corporate governance standards, may be appointed.

1.1.3 MEETINGS

- **Meetings.** The GSS Committee shall meet at least five times annually, or more frequently as circumstances dictate. Such meetings may be held by telephone or by any other means which enables all participants to communicate with each other simultaneously and as necessary.
- **Quorum.** A quorum for the transaction of business at a GSS Committee meeting shall be a majority of the GSS Committee members.
- **Timing.** The GSS Committee shall typically meet one day prior to CN's Board meetings, or as otherwise required.
- **Meeting Without Management.** Each GSS Committee meeting will include a portion without the presence of management.



- **Access to Outside Advisers.** As appropriate, the GSS Committee may retain independent advisors to help it carry out its responsibilities, including fixing such advisors' fees and retention terms, subject to advising the Board Chair. The GSS Committee has the authority to independently make arrangements for the appropriate funding for payment of any advisors retained by it. The Board will make arrangements for the appropriate funding for all administrative expenses necessary or appropriate to allow the GSS Committee to carry out its duties.
- **Reporting.** The GSS Committee shall report to the Board periodically on the GSS Committee's activities.

1.1.4 RESPONSIBILITIES

The responsibilities of the GSS Committee include the following:

A. Board Composition and Evaluation

- **Board Composition.** The GSS Committee, together with the Board Chair, shall monitor the size and composition of the Board and its committees to favour effective decision making and make recommendations to the Board in connection therewith. In this regard, the GSS Committee will:
 - develop, review and monitor, in consultation with the Board Chair, criteria for selecting directors by regularly assessing the competencies, skills, personal qualities, availability, geographical representation, business background and diversified experience of the Board members and CN's circumstances and needs, and assisting the Board Chair in developing a competency matrix for CN;
 - monitor the current and future profile of the Board in support of CN's strategic plan and, in doing so, the Committee will focus on diversity, including gender diversity, when considering candidates for nomination to the Board;
 - in consultation with the Board Chair, identify candidates qualified to become Board members, who can devote sufficient time and resources to their duties as Board members, and recommend to the Board the director nominees for the next annual or special meeting of shareholders;
 - assess the independence of CN's directors and ensure that a majority of CN's directors have no direct or indirect material relationship with CN and determine who, in the reasonable opinion of the GSS Committee and the Board, are independent pursuant to applicable legislation, regulations and listing requirements;
 - assist the Board in determining the profile for Board and committee chairs and ensure appropriate mechanisms are in place regarding succession planning for such roles; and
 - assist the Board in determining Board committee composition, as well as recommending the appropriate mandate of each committee for submission to the Board.
- **Board Performance and Effectiveness.** The GSS Committee shall, with the Board Chair, review the performance and effectiveness of the Board, Board committees, committee chairs and Board members. The GSS Committee shall also coordinate the review of the Board Chair's performance and effectiveness in consultation with the Chair of the HRC



Committee. The Committee shall also consider on a periodic basis the appropriateness of conducting a review through an independent advisor. The Committee oversees the action plan for areas of improvement.

- **Board Remuneration.** The GSS Committee shall make recommendations to the Board on the remuneration of the Board Chair, the committee chairs and non-executive directors.

B. Corporate Governance

- **Governance.** The GSS Committee shall oversee the development and implementation of CN's corporate governance policies and practices. In this regard, the GSS Committee will:
 - review corporate governance guidelines applicable to CN, recommend to the Board any change that should be made thereto and monitor the disclosure of CN's corporate governance practices in accordance with applicable rules and regulations;
 - in consultation with the Board Chair, develop, review and monitor, as applicable, CN's comprehensive onboarding and orientation program for new Board members and continuing education programs and resources for directors and periodically review such programs;
 - review, monitor and oversee the disclosure of CN's Code of Business Conduct, including a code of ethics applicable to CN's directors, its President and CEO, executive management, senior financial officers, and other employees, and such other policies as may be approved by the Board from time to time and monitor any violations of the Code of Business Conduct by executive management of the Company; and review at least annually a report on compliance with the Code of Business Conduct and employee training programs;
 - review, and recommend appropriate actions to the Board, as required, with regard to any related party transaction or where a related party has a material interest in a transaction involving CN, where related party is defined as: a director or executive management of CN, an affiliate, including an immediate family member, of a director or executive management, or person who beneficially owns more than 10% of CN's common shares;
 - review periodically CN's Insider Trading and Reporting Policy prohibiting its directors and executive management from directly or indirectly purchasing, selling or otherwise acquiring or transferring securities of CN during blackout periods or when they are in possession of material undisclosed information, and ensure that all reasonable measures are taken to provide such policy as well as the list of blackout periods to every director and executive management of CN and oversee the appropriate disclosure of same;
 - monitor CN's Corporate Disclosure and Communications Policy and the Investor Relations and Public Affairs Program, and oversee CN's lobbying activities and political contributions and disclosure of same;
 - review CN's stakeholder engagement policies and programs including CN's shareholder engagement policies and programs to ensure ongoing and proactive oversight of investor sentiment and reputational risks; and



- review from time to time CN's Corporate Governance Manual and monitor the continuous improvement and public disclosure of CN's corporate governance practices and policies.

C. Sustainability and Safety

- **Policies and Practices.** The GSS Committee shall oversee the development and implementation of CN's sustainability and environmental, safety and security policies and practices. In this regard, the GSS Committee will:
 - review CN's short and longer-term sustainability strategy, objectives, targets, and performance, and the Company's plans to deliver a high level of performance with respect to sustainability practices and reporting, as well as integration into the business model and strategy;
 - review CN's policies, practices and metrics relating to Equity, Diversity and Inclusion, including French/English language bilingualism and compliance with any applicable laws;
 - review CN's environment, sustainability and safety metrics and goals set out in CN's compensation plans;
 - review programs designed to promote corporate citizenship and advise the Board on the status and adequacy of efforts to ensure that CN's business is conducted to meet high standards of ethics, and social and environmental responsibility;
 - evaluate on an ongoing basis, whether the CN's resources are being managed in a manner consistent with ethical considerations and stakeholders' interests and in order to enhance shareholder value;
 - assess and monitor CN's environmental, safety and security policies and practices, including CN's Climate Action Plan, and public disclosure thereof, and the company's progress against its set targets under such plan, and ensure that appropriate employee training standards and communications are developed and implemented;
 - review environmental, health and safety audits and emerging risks, notices, orders, complaints, investigations, proceedings and other assessments of compliance and, where applicable, ensure any remedial plans and programs are carried out and adequate reserves are in place and have been accounted for properly (in conjunction with the AFR Committee);
 - receive and review periodic reports on the work of CN's Indigenous Advisory Council;
 - review annually CN's community investment program, including donations and sponsorships;
 - conduct an annual review of CN's disclosure regarding environmental, social and governance matters; and
 - as part of the strategic planning process, evaluate and review public issues of significance that may affect CN's business, operations and stakeholders, including environmental, social and governance leading practices and the opportunities and



risks each presents, and ensure that such matters are adequately taken into consideration in CN's strategic plan.

- **Risk Management.** The GSS Committee shall oversee and monitor management's assessment of CN's major risk exposures relating to climate change, regulatory, reputation, environment, social, sustainability, safety and security issues and such other risks delegated to the Committee by the AFR Committee or the Board, and management's mitigation plans, including insurance coverage.
- **Reports and Recommendations.** The GSS Committee shall deliver periodic reports and recommendations to the Board with respect to CN's sustainability and safety policies and procedures and any issues relating to sustainability and safety matters and management's response thereto.

1.1.5 EVALUATION OF THE GSS COMMITTEE

- **Review.** The GSS Committee will review and assess its mandate annually or otherwise as it deems appropriate and shall report to the Board regularly on its deliberations and annually on the adequacy of its mandate.
- **Assessment.** At least annually, the GSS will review its effectiveness in fulfilling its responsibilities and duties as set out in its mandate.

1.1.6 GENERAL

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

Members of the GSS Committee are entitled to rely, absent knowledge to the contrary, on (i) the integrity of the persons and organizations from whom they receive information, and (ii) the accuracy and completeness of the information provided.