

## 1.1 Safety and Environment Committee

### 1.1.1 PURPOSE

The purpose of the SE Committee is to assist the Board in fulfilling its oversight responsibilities in relation to environmental matters and safety, including:

- overseeing policies, practices and metrics relating to safety and environmental matters, including climate change;
- 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 and safety metrics (including those related to climate change) and progress against established goals and reviewing related public disclosures;
- assessing risks, strengths and opportunities presented due to climate-related change;
- assessing risks related to the environment, safety and security;
- assessing advancements in operating technology and risks to CN's business, as well as opportunities, of adopting or exploring such technologies or initiatives; and
- any additional matters delegated to the SE Committee.

### 1.1.2 MEMBERSHIP

- **Number.** The Board shall appoint a minimum of four directors to be members of the SE Committee.
- **Majority Independent Directors.** A majority of the Committee shall consist of independent directors, as determined by the Board and under Canadian and U.S. corporate governance standards. For greater certainty, non-independent director members of the Committee shall not include management.

### 1.1.3 MEETINGS

- **Meetings.** The SE Committee shall meet at least four 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 SE Committee meeting shall be a majority of the SE Committee members.
- **Timing.** The SE Committee shall typically meet one day prior to CN's Board meetings, or as otherwise required.
- **Meeting Without Management.** Each SE Committee meeting will include a portion without the presence of management.
- **Access to Outside Advisers.** As appropriate, the SE 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 SE 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 SE Committee to carry out its duties.

- **Reporting.** The SE Committee shall report to the Board following each regularly scheduled meeting of the SE Committee, or more frequently if circumstances warrant, on the SE Committee's activities.

#### 1.1.4 RESPONSIBILITIES

The responsibilities of the SE Committee include the following:

A. Safety

- **Policies and Practices.** The SE Committee shall oversee the development of CN's safety and security policies and practices and review performance thereunder. In this regard, the SE Committee will:
  - review CN's safety program, policies and practices, including assessing CN's safety performance against its targets and metrics and those of its industry peers, emergency response planning and initiatives that promote safety rule compliance;
  - review CN's safety training programs, including any online, in-person classroom and field training;
  - review the consistency of application and enforcement of CN's safety program and practices;
  - review CN's process for collection, communication and analysis of safety data and review trends in respect of such data;
  - periodically review internal audits and assessments of compliance on health, safety and environmental incidents;
  - review CN's safety targets and metrics set out in CN's compensation plans;
  - receive updates on safety and security matters from relevant management employees and bring them forward to the Board;
  - review environmental, health and safety risks, notices, orders, complaints, investigations, proceedings and other assessments of compliance and, where applicable, ensure any remedial or mitigation plans and programs are carried out and adequate reserves are in place and have been accounted for properly (in conjunction with the AFR Committee); and
  - monitor management's oversight of matters relating to operating technology and any related material investments and review and receive reports on advancements in operating technology and initiatives relevant to safety matters, including opportunities and risks to CN's business of adopting or exploring such technologies or initiatives.

## B. Environment

- **Policies and Practices.** The SE Committee shall oversee the development and implementation of CN's environmental and climate change strategy. In this regard, the SE Committee will:
  - review CN's short, medium and longer-term environmental and climate change strategy, objectives, targets, and performance, and CN's plans to deliver a high level of performance with respect to related practices and reporting, as well as integration into the business model and strategy;
  - review strategic plans and opportunities for CN, to ensure alignment with its environmental and climate change objectives and with CN's long-term strategy and risk management priorities;
  - review CN's policies and practices relating to environmental programs, including greenhouse gas reduction goals and actions, climate change adaptation and resiliency, environmental enhancement actions, biodiversity and any environmental clean-up initiatives, and monitor interim progress towards goals and targets;
  - review CN's environment metrics and targets set out in CN's compensation plans, such as greenhouse gas reduction and other similar targets;
  - monitor management's oversight of matters relating to operating technology and any related material investments and oversee advancements in operating technology and initiatives relevant to environmental and climate change matters relating to the rail industry, including opportunities and risks to CN's business of adopting or exploring such technologies or initiatives, and review and receive reports thereon; and
  - conduct an annual review of CN's disclosure regarding environmental and climate change matters, including CN's Climate Action Plan.

**Risk Management.** The SE Committee shall oversee and monitor management's assessment of CN's major risk exposures relating to environment, climate change, greenhouse gas reduction, biodiversity, safety and security, including related operating technology initiatives, and such other risks delegated to the Committee by the AFR Committee or the GS Committee or the Board, and management's mitigation plans, including insurance coverage.

### 1.1.5 EVALUATION OF THE SE COMMITTEE

- **Review.** The SE 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 SE Committee 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 SE 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 SE Committee.

Members of the SE 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.