

Prohibited Harassment, Discrimination and Anti-Retaliation Policy – U.S.

Effective: August 13, 2007

Scope

This policy applies to employees of the following companies, each of which operates as “CN” (hereinafter collectively referred to as the “Company”):

Bessemer and Lake Erie Railroad Co.
Chicago, Central & Pacific Railroad Company
Cedar River Railroad Company
Duluth, Missabe and Iron Range Railway Co.
Duluth, Winnipeg and Pacific Railway Company
Grand Trunk Western Railroad Incorporated
Illinois Central Railroad Company
The Pittsburgh and Conneaut Dock Company
Sault Ste. Marie Bridge Company
Wisconsin Central Ltd.

Prohibited Harassment

The Company is committed to providing a work environment free of harassment. The Company maintains a strict policy prohibiting sexual harassment and other forms of unlawful workplace harassment, including harassment based on race, color, sex, national origin, religion, disability, age, veteran status, or any other basis protected by federal, state or local law, ordinance or regulation, which may include marital status and sexual orientation. All such harassment is prohibited.

This policy applies to all persons involved in the operations of the Company and prohibits harassment by any employee of the Company, including managers and coworkers. This prohibition also applies to the Company’s vendors, independent contractors, or customers. No employee is expected to tolerate any conduct prohibited by this policy from anyone at work or engaged in Company business.

Sexual Harassment Defined

Federal law defines sexual harassment as unwanted sexual advances, requests for sexual favors, or visual, verbal or physical conduct of a sexual nature when:

1. submission to such conduct is made a term or condition of employment; or
2. submission to or rejection of such conduct is used as a basis for employment decisions affecting the individual; or
3. such conduct has the purpose or effect of unreasonably interfering with an employee's work performance *or* creating an intimidating, hostile or offensive working environment.

State and local law definitions of sexual harassment include various forms of offensive behavior. The following is a partial list:

- Unwanted sexual advances.
- Offering employment benefits in exchange for sexual favors.
- Making or threatening reprisals after a negative response to sexual advances.
- Visual conduct: leering, making sexual gestures, displaying of sexually suggestive objects or pictures, cartoons or posters.
- Verbal conduct: making or using derogatory comments, epithets, slurs, sexually explicit jokes, comments about an employee's body or dress.
- Verbal sexual advances or propositions.
- Verbal abuse of a sexual nature, graphic verbal commentary about an individual's body, sexually degrading words to describe an individual, suggestive or obscene letters, notes or invitations.
- Physical conduct: touching, assault, impeding or blocking movements.
- Retaliation for making harassment reports or threatening to report harassment.

It is unlawful for males to sexually harass females or other males, and for females to sexually harass males or other females.

This policy also protects employees from harassment by vendors or clients. If harassment occurs on the job by someone not employed by the Company, the procedures in this policy should be followed as if the harasser were a Company employee.

Other Types of Harassment

Prohibited harassment on the basis of gender, race, color, national origin, ancestry, religion, creed, physical or mental disability, veteran status, age, or other protected basis, includes behavior similar to sexual harassment such as:

- Verbal conduct such as threats, epithets, derogatory comments, or slurs;
- Visual conduct such as derogatory posters, photography, cartoons, drawings, or gestures;
- Physical conduct such as assault, unwanted touching, or blocking normal movement;
- Retaliation for making harassment reports or threatening to report harassment.

The Company's Complaint Procedure

The Company's reporting procedure provides for a prompt, thorough, and objective investigation of any claim of harassment and/or discrimination. If the Company determines that prohibited activity has occurred, it will take appropriate remedial action. The discipline will be commensurate with the severity of the offense. Appropriate action will also be taken to deter any future prohibited activity. All reported incidents of harassment or discrimination will be investigated. Designated representatives of the Company will promptly undertake an effective, thorough, and objective investigation of the allegations. When the investigation is completed, a determination regarding the allegations will be made and communicated to the person who filed the report as soon as practical.

1. An individual subjected to what he/she believes is sexual, racial, or other improper harassment should immediately tell the harasser to stop his/her unwanted behavior and/or immediately report that behavior, preferably in writing, to the Human Resources Director or Human Resources Manager in Homewood, Illinois. If any further incident(s) of

SPRINGFIELD 217-785-5100

SPRINGFIELD TDD 217-785-5125

The United States Equal Employment Opportunity Commission can be contacted as follows:

CHICAGO 312-353-2713

800-669-3362

TDD 800-800-3302