

## INVESTMENT COMMITTEE OF CN'S PENSION TRUST FUNDS

### 1. **Membership and Quorum**

- composed of up to twelve members, a majority of whom are Independent directors, and three of whom are officers of the Company;
- quorum is a majority of members, including at least two members who are officers of the Company;
- participants at committee meetings include the President and CEO, the Executive Vice-President and Chief Financial Officer of CN, the President and Chief Executive Officer and the General Manager of CN's Investment Division (the "**Investment Division**").

### 2. **Frequency and Timing of Meetings**

- normally one day prior to CN Board meetings;
- at least three times a year and as necessary.

### 3. **Mandate**

The responsibilities of the Investment Committee of CN's Pension Trust Funds are in part described in the Standing Resolutions on CN Investments and include the following:

- reviewing the activities of the Investment Division;
- advising the Investment Division on investment of assets of CN's Pension Trust Funds in accordance with the Statement of Investment Policies and Procedures approved by the CN Board and the general investment strategy approved by the Investment Committee;
- approving all of CN's Pension Trust Funds investments made in any one real estate property, resource property or the shares of a corporation not listed on a prescribed stock exchange as defined in the *Income Tax Act* (Canada), for which the aggregate investment exceeds \$50,000,000, except when the loan or interest is by way of a first mortgage;
- reviewing and approving the annual budget of the Investment Division;
- reviewing and approving the CN Investment Incentive Plan and award payouts thereunder;
- recommending to the Board changes to the Statement of Investment Policies and Procedures of the Investment Division;
- reviewing and approving the general investment strategy of the Investment Division and reporting thereon to the Board;
- ensuring that processes are in place to annually evaluate performance of the Investment Committee of CN's Pension Trust Funds.

The Investment Committee of CN's Pension Trust Funds shall report annually to the Board on the adequacy of its mandate.

Nothing contained in the above mandate is intended to assign to the Investment Committee of CN's Pension Trust Funds the Board's 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 Investment Committee of CN's Pension Trust Funds.