

CANADIAN NATIONAL RAILWAY COMPANY
POLICY ON INCLUSION AND DIVERSITY WITH RESPECT TO DIRECTORS AND EXECUTIVE MANAGEMENT

Approved by the CN Board of Directors

**on March 10, 2015, revised on March 10, 2020, March 9, 2021, March 7, 2023, January
23, 2024, October 22, 2024 and July 22, 2025**

1. DEFINITIONS

"Board" means the Company's board of directors.

"Company" or **"CN"** means the Canadian National Railway Company.

"Directors" or **"Board members"** mean the elected and duly appointed Board members of the Company.

"Diversity" refers to the natural variety of identities, experiences, backgrounds, viewpoints, perspectives, characteristics, skills, knowledge and competencies (collectively, **"backgrounds and experiences"**) that exists within a group when Inclusion is practiced effectively.

"Executive Management" means executives of CN holding the position of Vice-President and more senior positions of the Company.

"Human Resources and Compensation Committee" means the Human Resources and Compensation Committee of the Board.

"Inclusion" is the active practice of creating and sustaining a workplace culture where all individuals are treated equitably, have access to the same opportunities, and are encouraged to fully participate and thrive.

"Governance and Sustainability Committee" means the Governance and Sustainability Committee of the Board.

"Policy" means this Policy on Inclusion and Diversity with respect to Directors and Executive Management.

"Underrepresented Groups" means the broader range of underrepresented groups covered under this Policy, including women, Aboriginal peoples, members of visible minorities and persons with disabilities, as such terms are defined under the *Employment Equity Act*, S.C. 1995, c. 44.

2. PURPOSE

This Policy sets forth CN's approach and ambitions with respect to inclusion and diversity, specifically in relation to its Board members and the Executive Management of CN.

3. POLICY STATEMENT

At CN, we value the development of a workforce of top-talent that reflects the communities, population and stakeholders we serve. We strive to foster a culture of safety and inclusion where everyone can grow to their full potential and be recognized for their contributions to our success, at all levels of the Company.

Our approach to inclusion remains grounded on the principles of equal opportunity. CN is and remains committed to an inclusive workplace that is free from bias or discrimination.

In an increasingly complex global marketplace, the ability to draw on diverse backgrounds and experiences helps CN better understand and respond to the needs of its business and stakeholders. This is critical to the Company's success and it also helps ensure that a wide variety of perspectives are brought to bear on issues, while enhancing the likelihood that proposed solutions will be nuanced and comprehensive.

4. BOARD OF DIRECTORS

4.1 Selection Process and Appointments

CN recognizes the importance of board renewal and succession planning to ensure that its Board continues to reflect an optimal balance of backgrounds and experiences, to promote new ideas and fresh perspectives and to generally ensure continued effective decision making by the Directors collectively.

CN strives for its Director nominee selection process to be inclusive. To this effect, CN aspires to have a Board whose members represent diverse backgrounds and experiences, having regard amongst other, to language proficiency (namely in the official languages of Canada), gender, members of visible minorities, Indigenous status, disabilities, age, business experience, personal attributes, professional qualifications, stakeholder perspectives, and geographic context.

The Governance and Sustainability Committee, in consultation with the Board Chair, is responsible for determining the needs of the Board in the long term and identifying and recommending the nomination or appointment of qualified new candidates that possess the required competencies, skills, business and financial experience, leadership and level of commitment to stand as nominees for election or appointment as Directors. To do so, the Governance and Sustainability Committee monitors the current and future profile of the Board in support of the CN strategic plan. In addition, in consultation with the Board Chair, the Governance and Sustainability 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 Board members. The Board Chair, in consultation with the Governance and Sustainability Committee, develops a competency matrix with the knowledge areas, types of expertise, competencies, skills, and other areas of representation that it considers should be reflected on the Board, in the view of ensuring that the skillset of Directors meet the needs of our Board.

Following this process and in consideration of CN's strategic and business plans as well as the opportunities and risks facing the Company, and the nature of CN's operating and competitive environment, the Governance and Sustainability Committee identifies the criteria for the selection of nominees to be recommended to the Board and the backgrounds and experiences that the Board requires in order to understand the business, adequately fulfill its mandate, and enhance shareholder value. More specifically, the Governance and Sustainability Committee will take into account: (i) the size of the Board; (ii) the particular backgrounds and experiences currently sought by the Board, including requirements to staff certain Board committees; (iii) the backgrounds and experiences each of the current Directors possesses; and (iv) personal attributes and other qualities of each Director, having regard to the benefits of an inclusive Board. This set of criteria developed by the Governance and Sustainability Committee strives for the inclusion of diverse groups and perspectives in order to attain a diversity of backgrounds and experiences for the Board.

When appropriate, the Governance and Sustainability Committee puts in place 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, finance and law. The Governance and Sustainability Committee also uses CN's network of organizations and trade groups that may help identify diverse candidates and may retain an executive search firm to help meet the Board's diversity aspirations.

The Governance and Sustainability Committee periodically reviews its recruitment and selection processes to ensure that inclusion underpins candidate searches. Throughout the Director selection process, the Governance and Sustainability Committee endeavors to consider the representation of women and other members of the Underrepresented Groups on the Board, with consideration of applicable legal and regulatory requirements (such as director independence requirements and review of potential conflicts of interest).

Board appointments and nominations are based on individual merit, taking into account demonstrated backgrounds and experiences.

4.2 Mechanisms of Board Renewal

The Board has adopted a policy on mandatory retirement age for directors whereby a director would not, unless otherwise determined by the Board, in its discretion, be nominated for re-election at the annual meeting of shareholders following his or her seventy-second (72nd) birthday. The Board has also adopted a policy to the effect that the Board Chair and the Committee Chair tenures are subject to term limits. In addition, any individual nominated or elected to the Board of Directors are subject to a 14-year term limit.

The Company is of the view that its policy on Chair term limits, together with its policy on mandatory retirement age and its director term limit, establishes a mechanism that ensures Board Chair, Committee Chair, and director renewal, provides a fresh perspective in the Boardroom and improves the Board's ability to plan its composition over a longer period of time.

5. EXECUTIVE MANAGEMENT

CN recognizes the importance of having a diverse Executive Management team which offers a depth of perspectives and enhances the Company's operations. Effective talent management, leadership development, succession planning, employee engagement, and an inclusive culture are priorities for the Board and the Human Resources and Compensation Committee.

With respect to hiring and promoting at the Executive Management level, CN aspires to achieve its representation goals by focusing on the identification, assessment, and development of talent, to ensure that it has potential successors representing diverse backgrounds and experiences.

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

In fulfilling such role, the Human Resources and Compensation Committee:

- regularly reviews CN's integrated approach to Executive Management and high-potential talent management and succession planning, and the Company's comprehensive recruitment framework focusing on the identification, assessment, and development of talent to ensure that CN has an appropriate and diverse pipeline of potential successors at the Executive Management level;

- conducts in-depth reviews of potential candidates within CN, focusing on the strength of succession pools for key leadership roles across CN. A complete review of the contingency as well as short-, medium- and long-term succession plans for Executive Management is conducted annually;
- seeks to ensure that Executive Management appointments are based on a balance of criteria, including backgrounds and experiences; and
- endeavors to uphold diversity aspirations as a component of Executive Management appointments, including the level of representation of Underrepresented Groups in Executive Management positions; and
- reviews CN's policies, programs, initiatives and performance with a view to foster inclusion.

6. GOALS

CN aspires to maintain a highly qualified Board in which independent Directors are comprised of at least forty percent (40%) of men and women respectively, and at least two members come from the broader Underrepresented Groups, beyond gender.

CN also aspires to attain by the end of 2027, and thereafter maintain, an Executive Management team in which at least thirty-five percent (35%) of Executive Management are women.

CN intends to maintain its standards of hiring and promoting based on merit, skills, knowledge, competencies and diverse backgrounds and experiences, while working towards achieving its aspirations as to representation in a safe, inclusive and rewarding workplace for all.

7. ANNUAL REVIEW

On an annual basis, the Governance and Sustainability Committee (*Directors*) and the Human Resources and Compensation Committee (*Executive Management*):

- assess the effectiveness of the nomination/appointment processes in achieving CN's goals;
- set measurable goals and recommend them to the Board for adoption;
- measure the annual and cumulative progress in achieving the goals described in this Policy; and
- monitor the implementation of this Policy.

8. DISCLOSURE OF POLICY

Annually, CN discloses in its Management Information Circular, among other things:

- a summary of the Policy's objectives and key provisions;
- the measures taken to ensure that the Policy has been effectively implemented;
- annual and cumulative progress in achieving the Policy's objectives;
- how the Governance and Sustainability Committee, the Human Resources and Compensation Committee, and the Board measure the effectiveness of the Policy;
- how the Governance and Sustainability Committee, the Human Resources and Compensation Committee, and the Board consider the level of representation of members of the

Underrepresented Groups in identifying and nominating candidates for election or re-election to the Board and for appointment as Executive Management;

- a description of the Company's policy on mandatory retirement age, term limits or other mechanisms of Board renewal;
- the Company's aspirational goals relating to diversity described therein, as well as annual and cumulative progress in achieving them; and
- the number and proportion (in percentage terms) of Directors and Executive Management of each Underrepresented Group.

This Policy is published CN's website for public information.