

DONATIONS AND SPONSORSHIPS COMMITTEE

1. **Membership and Quorum**

- Composed of up to nine members, including the Board Chair; one additional board member; the President and CEO; the Executive Vice-President Corporate Services and Chief Legal Officer; the Chief Marketing Officer; the Vice-President, Human Resources and the Vice-President, Public and Government Affairs;
- Quorum is a majority of members, including at least one non-executive board member and two members who are officers of the Company;
- The Committee will be chaired by the President and CEO.

2. **Frequency and Timing of Meetings**

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

3. **Mandate**

The responsibilities of the Donations and Sponsorships Committee include the following:

A. Developing a sponsorship and donations strategy

- the Committee shall on a yearly basis review and approve the general donations and sponsorships strategy and goals of the Company. The Committee shall be guided by the CN Stronger Communities Fund Guidelines and other guidelines which it may adopt from time to time;
- the Committee shall review and approve the annual budget for all donations and sponsorships of the Company, including the budget for the CN Stronger Communities Fund;
- the Committee shall review annually the CN Stronger Communities Fund Guidelines, updating the guidelines as necessary.

B. Approving sponsorship and donation requests

- any donation request, meaning a monetary or non-monetary gift made to a registered charitable organization with no expectation of returned benefit to the Company, for a total cost of more than \$100,000 shall be pre-approved by the Committee prior to the making of any commitment;
- any sponsorship request, meaning a transaction between the Company and another party (registered not-for-profit, private sector or public sector) in which financial consideration is exchanged for purchase of a tangible such as advertising, signage or event participation, for a total cost of more than \$500,000 shall be recommended by the Committee and approved by the Board of Directors of the Company prior to the making of any commitment;

- all donations for a total cost of more than \$50,000 and sponsorships for a total cost of more than \$100,000 must be reported to the Vice-President, Public and Government Affairs, who will submit a report thereon at each regular meeting of the Committee;
- requests for funding will be reviewed by the Committee at each of its meetings. All requests will be assessed and granted or declined at the sole discretion of the Committee. Requests may be granted for the requested amount or for an amount either more or less than the requested amount. There is no process for appeal.

All dollar amounts set out above shall be deemed to be in CDN\$ or US\$ depending on the country in which the donation or sponsorship has been or is to be made.

The Donations and Sponsorship Committee shall report annually to the Board on the adequacy of its mandate and on all donations and sponsorships.

Nothing contained in the above mandate is intended to assign to the Donations and Sponsorship Committee 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 Donations and Sponsorship Committee.