

## FINANCE COMMITTEE

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

- a minimum of five directors appointed by the Board;
- a majority of Independent directors shall be appointed;
- quorum of a majority of members.

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

- normally one day prior to CN Board meetings;
- at least four times a year and as necessary;
- committee members meet before or after every meeting without the presence of management.

### 3. **Mandate**

The responsibilities of the Finance Committee include the following:

#### A. Overseeing financial policies

- providing oversight with respect to CN's capital structure, cash flows and key financial ratios;
- making recommendations to the Board with respect to CN's financial policies and generally, financial matters affecting CN;
- reviewing policies with respect to distributions to shareholders generally, including CN's policies on dividends;
- making recommendations with respect to the repurchase of shares of CN from time to time;
- overseeing compliance with financial covenants;
- reviewing CN's credit ratings and monitor CN's activities with respect to credit rating agencies;
- reviewing CN's policies regarding financial hedging, investment and credit.

#### B. Reviewing financings

- reviewing the opportunity and parameters of any debt or equity financing;
- reviewing prospectuses, offering memoranda, and other financing documents and reports relating to financing transactions requiring Board approval;
- reviewing CN's liquidity position, including CN's credit facilities and its bank group.

C. Authorizing, Approving and Recommending certain financial activities

- within the scope of its authority levels as established by the Board, authorizing the borrowing of money, the issuing of debt securities or the engaging in other forms of financing (other than any financing calling for the issuance of common stock), including with respect to derivative financial instruments, or making recommendations to the Board thereon;
- recommending the prepayment, redemption, repurchase or defeasance of any indebtedness of CN;
- recommending loans, guarantees of the credit of others, or other extensions of credit by CN;
- reviewing significant capital and other expenditures, sales and leases of assets, related party transactions, as required, and any other transactions that could alter, impact or otherwise materially affect CN's financial or corporate structure, including off-balance sheet items, as well as projected and actual returns from investments;
- overseeing post audits of significant capital projects approved by the Board, including material acquisitions;
- overseeing post audits carried-out by the internal auditors or the external auditors, from time to time, and reviewing their reports, which are to be tabled with the Finance Committee and the chair of the Audit Committee;
- reviewing any significant additional voluntary pension contributions above current service cost and above any required special payments that would materially impact CN's use of cash policy and/or balance sheet.

D. Evaluating the performance of the Finance Committee

- ensuring that processes are in place to annually evaluate the performance of the Finance Committee;
- assessing the adequacy of the Committee's charter on an annual basis and making reports thereon to the Board.

As appropriate, the Finance Committee may obtain advice and assistance from outside legal, accounting or other advisors and so advise the Board Chair; the Committee makes arrangements for the appropriate funding for payment of any advisors retained by it. The Board also makes arrangements for the appropriate funding for all administrative expenses necessary or appropriate to allow the Finance Committee to carry out its duties.

The Finance Committee shall report to the Board regularly on its deliberations and annually on the adequacy of its mandate.

Nothing contained in the above mandate is intended to assign to the Finance 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 Finance Committee.