

## CANADIAN NATIONAL RAILWAY COMPANY

<b>MEETING DATE</b>	Tue, 25 Apr 2017 11:00 am	<b>TYPE</b>	AGM	<b>ISSUE DATE</b>	Mon, 24 Apr 2017
<b>MEETING LOCATION</b>	The Hotel Saskatchewan, Regency Ballroom, 2125 Victoria Avenue, Regina, Saskatchewan, Canada				
<b>CURRENT INDICES</b>	PIRC Global				
<b>SECTOR</b>	Railroads, line-haul operating				

<b>PROPOSALS</b>		<b>ADVICE</b>
<b>1.01</b>	<b>Elect Shauneen Bruder</b> Independent Non-Executive Director.	<b>For</b>
<b>1.02</b>	<b>Re-elect Donald J. Carty</b> Independent Non-Executive Director. He is chair of the Audit committee which is not fully independent which Triodos does not support.	<b>Withhold</b>
<b>1.03</b>	<b>Re-elect Gordon D. Giffin</b> Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board. He is chair of the Remuneration committee which is not fully independent which Triodos does not support.	<b>Withhold</b>
<b>1.04</b>	<b>Elect Julie Godin</b> Independent Non-Executive Director.	<b>For</b>
<b>1.05</b>	<b>Re-elect Edith E. Holiday</b> Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is sufficient independent representation on the Board.	<b>For</b>
<b>1.06</b>	<b>Elect Luc Jobin</b> Chief Executive Officer.	<b>For</b>
<b>1.07</b>	<b>Re-elect V. Maureen Kempston Darkes</b> Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is sufficient independent representation on the Board.	<b>For</b>
<b>1.08</b>	<b>Re-elect Denis Losier</b> Non-Executive Director. Not considered independent owing to a tenure of over nine years. There is insufficient independent representation on the Board.	<b>For</b>
<b>1.09</b>	<b>Re-elect Kevin G. Lynch</b> Independent Non-Executive Director.	<b>For</b>
<b>1.10</b>	<b>Re-elect James E. O'Connor</b> Independent Non-Executive Director.	<b>For</b>
<b>1.11</b>	<b>Re-elect Robert Pace</b> Non-Executive Chairman. Not considered independent owing to a tenure of over nine years. There is sufficient independent representation on the Board.	<b>For</b>
<b>1.12</b>	<b>Re-elect Robert L. Phillips</b> Independent Non-Executive Director.	<b>For</b>
<b>1.13</b>	<b>Re-elect Laura Stein</b> Independent Non-Executive Director.	<b>For</b>
<b>2</b>	<b>Appoint the Auditors</b> KPMG proposed. Non-audit fees represented 49.98% of audit fees during the year under review and 38.35% on a three-year aggregate basis. This level of non-audit fees raises some concerns about the independence of the statutory auditor. In addition, the current auditor has been in place for more than seven years. There are concerns that failure to regularly rotate the audit firm can compromise the independence of the auditor. A withhold vote is recommended.	<b>Withhold</b>

**3 Advisory Vote on Executive Compensation**

**Oppose**

The Company has put forward a resolution on executive compensation practices, which is considered best practice. The voting outcome for this resolution reflects the balance of opinion on the adequacy of disclosure, and the quantum of executive pay.

The Company has disclosed financial targets for its short-term and long-term incentives but has not provided information with respect to individual performance factors. Payments made under the annual bonus plan are not considered acceptable by guidelines. The CEO's maximum opportunity exceeds 200% of his base salary which is not considered best practice. The return on invested capital (ROIC) performance objective is used as a performance measure for the annual bonus and the Performance Share Units (PSUs), allowing executives to be rewarded twice for the same performance. Stock options make up 45% of the long-term incentives and vest over four years at a rate of 25% at each anniversary date. Based on the comments above, Triodos opposes this resolution.

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