

CANADIAN NATIONAL RAILWAY COMPANY

MEETING DATE	Tue, 24 Apr 2018 10:00 am	TYPE	AGM	ISSUE DATE	Tue, 17 Apr 2018
MEETING LOCATION	The Omni King Edward Hotel, Sovereign Ballroom, Lobby Level, 37 King Street East, Toronto, Ontario, Canada				
CURRENT INDICES	PIRC Global				
SECTOR	Railroads, line-haul operating				

PROPOSALS		ADVICE
1.1	Elect Director Shauneen Bruder Independent Non-Executive Director.	For
1.2	Elect Director Donald J. Carty Independent Non-Executive Director. He is chair of the Audit committee which is not fully independent which Triodos does not support.	Withhold
1.3	Elect Director Gordon D. Giffin Non-Executive Director. Not considered independent owing to a tenure of over nine years. However, there is sufficient independent representation on the Board. He is chair of the Remuneration committee which is not fully independent which Triodos does not support.	Withhold
1.4	Elect Director Julie Godin Independent Non-Executive Director.	For
1.5	Elect Director Edith E. Holiday Non-Executive Director. Not considered independent owing to a tenure of over nine years. However, there is sufficient independent representation on the Board.	For
1.6	Elect Director V. Maureen Kempston Darkes Non-Executive Director. Not considered independent owing to a tenure of over nine years. However, there is sufficient independent representation on the Board.	For
1.7	Elect Director Denis Losier Non-Executive Director. Not considered independent owing to a tenure of over nine years. However, there is sufficient independent representation on the Board.	For
1.8	Elect Director Kevin G. Lynch Independent Non-Executive Director.	For
1.9	Elect Director James E. O'Connor Independent Non-Executive Director.	For
1.10	Elect Director Robert Pace Non-Executive Director. Not considered independent owing to a tenure of over nine years. However, there is sufficient independent representation on the Board.	For
1.11	Elect Director Robert L. Phillips Independent Non-Executive Director.	For
1.12	Elect Director Laura Stein Independent Non-Executive Director.	For
2	Ratify KPMG LLP as Auditors KPMG proposed. Non-audit fees represented 54.10% of audit fees during the year under review and 46.14% on a three-year aggregate basis. This level of non-audit fees raises major concerns about the independence of the statutory auditor. 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.	Withhold

3 Advisory Vote on Executive Compensation Approach

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.

Annual Incentive Bonus is based on achievement of five pre-determined corporate financial performance objectives (70%), two pre-determined corporate safety performance objectives (10%) and individual performance (20%). Long-term incentives are granted in the form of performance share units (55%) and stock options (35%). Average return on invested capital (70%) and CN's relative performance against selected Class I Railroads and S&P/TSX 60 companies (30%) are the performance metrics used to grant the performance shares. The Company uses adjusted metrics, which is against best practice as it does not permit an assessment on the challenging nature of performance metrics. Payments made under the annual bonus plan are not considered acceptable by guidelines. Stock options make up 45% of the long-term incentives and vest over four years at a rate of 25% at each anniversary date.

Triodos opposes this resolution.

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