CANADIAN NATIONAL RAILWAY CO
Form 6-K
March 23, 2010

FORM 6-K
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Report of Foreign Issuer

Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934

For the month of March, 2010

Commission File Number: 001-02413

Canadian National Railway Company
(Translation of registrant's name into English)

935 de la Gauchetiere Street West
Montreal, Quebec
Canada H3B 2M9
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F Form 40-F X

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes No X

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes No X

Indicate by check mark whether by furnishing the information contained in this Form, the Registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934:

Yes No X

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): N/A

Canadian National Railway Company

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Canadian National Railway Company

Date: March 22, 2010	By:	/s/ Sean Finn	
		Name:	Sean Finn
		Title:	Executive Vice-President Corporate Services and Chief Legal Officer

Item 1

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Our annual meeting of holders of common shares will be held at

LE WINDSOR
SALON WINDSOR, FIRST FLOOR
1170 PEEL STREET
MONTRÉAL, QUEBEC (CANADA)

on Tuesday, April 27, 2010, at 10:00 a.m. (Eastern Daylight Time) for the purposes of:

1. receiving the consolidated financial statements for the year ended December 31, 2009 and the auditors' reports thereon;
2. electing the directors;
3. appointing the auditors; and
4. transacting such other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

The directors have fixed March 15, 2010, as the record date for the determination of the holders of common shares entitled to receive notice of the Meeting.

By order of the Board of Directors

(Signed) Sean Finn
EXECUTIVE VICE-PRESIDENT
CORPORATE SERVICES AND CHIEF LEGAL OFFICER

March 2, 2010
Montréal, Quebec

Item 2

MANAGEMENT INFORMATION CIRCULAR

APRIL 27, 2010

AND NOTICE OF
ANNUAL MEETING
OF SHAREHOLDERS

March 2, 2010

Dear Shareholder:

On behalf of the Board of Directors and Management of Canadian National Railway Company (the “Company”), we cordially invite you to attend the annual meeting of shareholders that will be held this year at Le Windsor, Salon Windsor, First Floor, 1170 Peel Street, Montréal, Quebec (Canada), on Tuesday, April 27, 2010, at 10:00 a.m. (Eastern Daylight Time).

This Information Circular describes the business to be conducted at the meeting and provides information on executive compensation and CN’s governance practices. In addition to these items, we will discuss, at the meeting, highlights of our 2009 performance and our plans for the future. You will have the opportunity to meet and interact with your directors and the senior officers of the Company.

Your participation in the affairs of the Company is important to us. If you are unable to attend in person, we encourage you to complete and return the enclosed proxy form or voting instruction form in the envelope provided for this purpose so that your views can be represented. Also, it is possible for you to vote over the Internet by following the instructions on the enclosed forms. Even if you plan to attend the meeting, you may find it convenient to express your views in advance by completing and returning the proxy form or voting instruction form or by voting over the Internet.

If your shares are not registered in your name but are held in the name of a nominee, you may wish to consult the information on page 5 of the Information Circular with respect to how to vote your shares.

A live webcast of the meeting will be available on the Company’s website at www.cn.ca.

We look forward to seeing you at the meeting.

Sincerely,

(Signed) Claude Mongeau PRESIDENT AND CHIEF EXECUTIVE OFFICER	(Signed) David G.A. McLean CHAIRMAN OF THE BOARD

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By order of the Board of Directors

(Signed) Sean Finn
EXECUTIVE VICE-PRESIDENT
CORPORATE SERVICES AND CHIEF LEGAL OFFICER

March 2, 2010
Montréal, Quebec

INFORMATION CIRCULAR

This management information circular (the "Information Circular") is provided in connection with the solicitation of proxies by management of Canadian National Railway Company for use at the annual meeting of its shareholders or at any adjournment or postponement thereof (the "Meeting"). In this document "you" and "your" refer to the shareholders of, and "CN", the "Company" or "we", "us", "our" refer to, Canadian National Railway Company. The Meeting will be held at Le Windsor, Salon Windsor, First Floor, 1170 Peel Street, Montréal, Quebec (Canada), on Tuesday, April 27, 2010, at 10:00 a.m. (Eastern Daylight Time) for the purposes set forth in the foregoing Notice of Meeting. The information contained herein is given as at February 26, 2010, except as indicated otherwise.

IMPORTANT – If you are not able to attend the Meeting, please exercise your right to vote by signing the enclosed form of proxy or voting instruction form and, in the case of registered shareholders and holders of Employee Shares (as such term is defined in this Information Circular) by returning it to Computershare Trust Company of Canada in the enclosed envelope, or by voting over the Internet no later than 5:00 p.m. (Eastern Daylight Time) on April 26, 2010, or, if the Meeting is adjourned or postponed, by no later than 5:00 p.m. (Eastern Daylight Time) on the business day prior to the day fixed for the adjourned or postponed meeting. If you are a non-registered shareholder, reference is made to the section entitled "How do I vote if I am a non-registered shareholder?" on page 5 of this Information Circular.

What's Inside

QUESTIONS AND ANSWERS

Voting and Proxies

The following questions and answers provide guidance on how to vote your shares.

Who can vote?

Shareholders who are registered as at the close of business on March 15, 2010 (the "record date"), will be entitled to vote at the Meeting or at any adjournment or postponement thereof, either in person or by proxy.

As of the close of business on February 26, 2010, the Company had outstanding 470,795,172 common shares without par value. Subject to the voting restrictions described below, each common share carries the right to one vote.

To the knowledge of the directors and senior officers of the Company, based on the most recent publicly available information, no investor, as at February 26, 2010, owned or exercised control or direction over shares carrying 10% or more of the voting rights attached to any class of shares of the Company.

What will I be voting on?

Shareholders will be voting (i) to elect directors of the Company, and (ii) to appoint KPMG LLP as auditors of the Company. Our Board of Directors and our management are recommending that shareholders vote FOR items (i) and (ii).

How will these matters be decided at the meeting?

A simple majority of the votes cast, in person or by proxy, will constitute approval of these matters.

Who is soliciting my proxy?

Management of the Company is soliciting your proxy. The solicitation is being made primarily by mail, but our directors, officers or employees may also solicit proxies at a nominal cost to the Company. The Company has retained the services of Kingsdale Shareholder Services Inc. for the solicitation of proxies in Canada and the United States, at an aggregate cost estimated to be CAD$28,500 plus additional costs relating to out-of-pocket expenses.

Who can I call with questions?

If you have questions about the information contained in this Information Circular or require assistance in completing your form of proxy, please call Kingsdale Shareholder Services Inc., the Company's proxy solicitation agent, toll-free at 1-866-879-7649.

How can I contact the transfer agent?

You can contact the transfer agent either by mail at Computershare Trust Company of Canada, 100 University Ave, 9th Floor, North Tower, Toronto, Ontario M5J 2Y1, by telephone at 1-800-564-6253, by fax at 1-888-453-0330 or by email at service@computershare.com.

How do I vote?

If you are eligible to vote and your common shares are registered in your name, you can vote your common shares in person at the Meeting or by proxy, as explained below. If your common shares are held in the name of a nominee, please see the instructions below under "How do I vote if I am a non-registered shareholder?".

What are the voting restrictions?

Our articles of incorporation, as amended, provide that no person, together with his or her associates, shall hold, beneficially own or control, directly or indirectly, voting shares to which are attached more than 15% in the aggregate of the votes attached to all our voting shares that may ordinarily be cast to elect directors of the Company. In addition, where the total number of voting shares held, beneficially owned or controlled, directly or indirectly, by any one person together with his or her associates exceeds such 15% maximum, no person shall, in person or by proxy, exercise the voting rights attached to the voting shares held, beneficially owned or controlled, directly or indirectly, by such person or his or her associates.

How do I vote if I am a registered shareholder?

1. VOTING BY PROXY

You are a registered shareholder if your name appears on your share certificate. If this is the case, you may appoint someone else to vote for you as your proxy holder by using the enclosed form of proxy. The persons currently named as proxies in such form of proxy are the Board chair and the President and Chief Executive Officer of the Company. However, you have the right to appoint any other person or company (who need not be a shareholder) to attend and act on your behalf at the Meeting. That right may be exercised by writing the name of such person or company in the blank space provided in the form of proxy or by completing another proper form of proxy. Make sure that the person you appoint is aware that he or she is appointed and attends the Meeting.

- How can I send my form of proxy?

You can either return a duly completed and executed form of proxy to the transfer agent and registrar for the Company's common shares, Computershare Trust Company of Canada, in the envelope provided, or you can vote over the Internet by following the instructions on the form of proxy.

- What is the deadline for receiving the form of proxy?

The deadline for receiving duly completed forms of proxy or a vote over the Internet is 5:00 p.m. (Eastern Daylight Time) on April 26, 2010, or if the Meeting is adjourned or postponed, by no later than 5:00 p.m. (Eastern Daylight Time) on the business day prior to the day fixed for the adjourned or postponed meeting.

- How will my common shares be voted if I give my proxy?

Your common shares will be voted or withheld from voting in accordance with your instructions indicated on the proxy. If no instructions are indicated, your common shares represented by proxies in favour of the Board chair or the President and Chief Executive Officer will be voted FOR the election of management's nominees as directors and FOR the appointment of KPMG LLP as auditors and at the discretion of the proxy holder in respect of amendments to any of the foregoing matters or on such other business as may properly be brought before the Meeting. Should any nominee named herein for election as a director become unable to accept nomination for election, it is intended that the person acting under proxy in favour of management will vote for the election in his or her stead of such other person as management of the Company may recommend. Management has no reason to believe that any of the nominees for election as directors will be unable to serve if elected to office and management is not aware of any amendment or other business likely to be brought before the Meeting.

- If I change my mind, how can I revoke my proxy?

You may revoke your proxy at any time by an instrument in writing (which includes another form of proxy with a later date) executed by you, or by your attorney (duly authorized in writing), and (i) deposited with the Corporate Secretary of the Company at the registered office of the Company (935 de La Gauchetière Street West, Montréal, Quebec, Canada, H3B 2M9) at any time up to and including 5:00 p.m. (Eastern Daylight Time) on the last business day preceding the day of the Meeting or any adjournment or postponement thereof, or (ii) filed with the chair of the Meeting on the day of the Meeting or any adjournment or postponement thereof, or in any other manner permitted by law or in the case of a vote over the Internet, by way of a subsequent Internet vote.

2. VOTING IN PERSON

If you wish to vote in person, you may present yourself to a representative of Computershare Trust Company of Canada at the registration table. Your vote will be taken and counted at the Meeting. If you wish to vote in person at the Meeting, do not complete or return the form of proxy.

How do I vote if I am a non-registered shareholder?

If your common shares are not registered in your name and are held in the name of a nominee such as a trustee, financial institution or securities broker, you are a "non-registered shareholder". If your common shares are listed in an account statement provided to you by your broker, those common shares will, in all likelihood, not be registered in your name. Such common shares will more likely be registered under the name of your broker or an agent of that broker. Without specific instructions, Canadian brokers and their agents or nominees are prohibited from voting shares for the broker's client. If you are a non-registered shareholder, there are two ways, listed below, that you can vote your common shares:

1. GIVING YOUR VOTING INSTRUCTIONS

Applicable securities laws require your nominee to seek voting instructions from you in advance of the Meeting. Accordingly, you will receive or have already received from your nominee a request for voting instructions for the number of common shares you hold. Every nominee has its own mailing procedures and provides its own signature and return instructions, which should be carefully followed by non-registered shareholders to ensure that their common shares are voted at the Meeting.

2. VOTING IN PERSON

However, if you wish to vote in person at the Meeting, insert your own name in the space provided on the request for voting instructions provided by your nominee to appoint yourself as proxy holder and follow the signature and return instructions of your nominee. Non-registered shareholders who appoint themselves as proxy holders should present themselves at the Meeting to a representative of Computershare Trust Company of Canada. Do not otherwise complete the request for voting instructions sent to you as you will be voting at the Meeting.

How do I vote if I am an employee shareholder?

Common shares purchased by employees of the Company under its Canadian and U.S. Employee Share Investment Plans and its Union and Management Savings Plans for U.S. Operations (the “Plans”), are known as “Employee Shares”. Employee Shares remain registered in the name of the Plans’ custodian (the “custodian”), unless the employees have withdrawn their common shares from the Plans in accordance with their provisions.

Voting rights attached to the Employee Shares that are registered in the name of the custodian can be exercised by employees, or their attorneys authorized in writing, by indicating on the enclosed voting instruction form the necessary directions to the custodian or any other person or company (who need not be a shareholder) as to how they wish their Employee Shares to be voted at the Meeting. Beneficial owners of Employee Shares may also give such voting instructions by telephone or over the Internet. The Employee Shares will be voted pursuant to the directions of the beneficial owner. If no choice is specified for an item, the Employee Shares will be voted in accordance with management’s recommendations mentioned above and at the discretion of the custodian or such other person indicated, in respect of amendments to the items mentioned on the enclosed voting instruction form or on such other business as may properly be brought before the Meeting. Only Employee Shares in respect of which a voting instruction form has been signed and returned (or in respect of which the employee has given voting instructions by telephone or over the Internet) will be voted.

A holder of Employee Shares may revoke his or her directions, as indicated on a voting instruction form, at any time by an instrument in writing executed by the holder of Employee Shares, or by the holder’s attorney duly authorized in writing, provided such written instrument indicating the holder’s intention to revoke is (i) deposited with the Corporate Secretary of CN at the registered office of CN at any time up to and including 5:00 p.m. (Eastern Daylight Time) on the last business day preceding the day of the Meeting or any adjournment or postponement thereof, or (ii) filed with the chair of the Meeting on the day of the Meeting or any adjournment or postponement thereof, or in any other manner permitted by law, or in the case of directions given by telephone or over the Internet, by way of subsequent telephone or Internet directions.

The voting instruction form must be used only with respect to Employee Shares. In the event that an employee holds common shares outside the Plans, he or she must also complete the enclosed form of proxy with respect to such additional common shares. No form of proxy is to be completed with respect to Employee Shares.

BUSINESS OF THE MEETING

Financial Statements

Our consolidated financial statements for the year ended December 31, 2009, together with the auditors' reports thereon, are included in the 2009 Annual Report of the Company, available on our website at www.cn.ca, on SEDAR at www.sedar.com, on EDGAR at www.sec.gov and in print, free of charge, to any shareholder who requests copies by contacting our Corporate Secretary or Investor Relations.

Election of Directors

Our articles of incorporation, as amended, provide that our Board of Directors shall consist of a minimum of seven and a maximum of 21 directors (hereinafter the "Board" or "Board of Directors"). Pursuant to a resolution of the Board of Directors, 11 persons are to be elected as directors for the current year, each to hold office until the next annual meeting of shareholders or until such person's successor is elected or appointed.

The term of office of each of the present directors expires at the close of the Meeting. The persons named in the section entitled "Nominees for Election to the Board – Description of Nominees" will be presented for election at the Meeting as management's nominees. Unless authority is withheld, the persons designated in the accompanying form of proxy or voting instruction form intend to vote FOR the election of these nominees. The persons nominated are, in the opinion of the Board of Directors and management, well qualified to act as directors of the Company for the ensuing year. The Board of Directors and management do not contemplate that any of these nominees will be unable to serve as a director, but should that occur for any reason before the Meeting, the persons designated in the accompanying form of proxy or voting instruction form reserve the right to vote for another nominee at their discretion unless the shareholder who has given such proxy or voting instruction form has directed that the common shares be withheld from voting on the election of any of the directors.

Appointment of Auditors

The Board of Directors and the Audit Committee recommend that KPMG LLP be appointed to serve as our auditors until the next annual meeting of shareholders. Unless authority is withheld, the persons designated in the accompanying form of proxy or voting instruction form intend to vote FOR the appointment of KPMG LLP as auditors of the Company to hold office until the next annual meeting of shareholders.

NOMINEES FOR ELECTION TO THE BOARD

Description of Nominees

The following tables set out information as of February 26, 2010, unless otherwise indicated, regarding the nominees for election as directors. All nominees are current directors of the Company.

MICHAEL R. ARMELLINO, CFA
Age: 70 (1)
Fort Lee, New Jersey, U.S.A.
Director since: May 7, 1996
Independent

Mr. Armellino, a chartered financial analyst, is a Retired Partner, The Goldman Sachs Group, LP. From 1991 to 1994, Mr. Armellino was chair and Chief Executive Officer of Goldman Sachs Asset Management. Prior to 1991, he had held various positions at Goldman, Sachs & Co., including senior transportation analyst and Partner in Charge of Research.

Mr. Armellino is a Trustee and member of the Executive Committee of the Peddie School, a Trustee of the Hackensack University Medical Center Foundation and Founder and senior advisor of the Bergen Volunteer Medical Initiative, a privately funded organization providing free health care for those without healthcare in Bergen County, New Jersey.

SECURITIES AND OPTIONS HELD			
COMMON SHARES OWNED OR CONTROLLED(2)		OPTIONS HELD(3)	
February 2010	111,150	February 2010	Nil
February 2009	106,650	February 2009	Nil

MEMBER OF	ATTENDANCE	OTHER PUBLIC BOARDS DURING PAST 5 YEARS
Board	100%	N/A
Strategic Planning Committee (Chair)	100%	
Audit Committee	100%	
Finance Committee	100%	
Investment Committee of CN's Pension Trust Funds (4)	100%	

A. CHARLES BAILLIE, O.C., LL.D.
Age: 70(1)
Toronto, Ontario , Canada

Mr. Baillie retired as chair of The Toronto-Dominion Bank in April 2003, and as Chief Executive Officer in December 2002 after a career at the bank that spanned five decades. Mr. Baillie is chair of the board of directors

Director since: April 15, 2003
Independent

of Alberta Investment Management Corporation (AIMCo) and is also a director of George Weston Limited and TELUS Corporation.

Mr. Baillie is a past chairman of the Canadian Council of Chief Executives and Chancellor Emeritus of Queen's University. He has been heavily involved in the arts for many years and is currently Honourary Chair of the Art Gallery of Ontario. He is on the national board of directors of Canada's Outstanding CEO of the Year and the Nature Conservancy of Canada. He was awarded the Queen's Jubilee Medal in 2002 and was appointed an Officer of the Order of Canada in 2006.

SECURITIES AND OPTIONS HELD

COMMON SHARES OWNED OR CONTROLLED(2)		OPTIONS HELD(3)	
February 2010	147,279(5)	February 2010	N/A
February 2009	133,776(6)	February 2009	N/A

MEMBER OF	ATTENDANCE	OTHER PUBLIC BOARDS DURING PAST 5 YEARS	
Board	100%	George Weston Limited	(2003-present)
Finance Committee (Chair)	100%	TELUS Corporation	(2003-present)
Audit Committee(4)	100%	Dana Corporation	(1998-2008)
Human Resources and Compensation Committee	100%		
Strategic Planning Committee	100%		
Environment, Safety and Security Committee	100%		
Investment Committee of CN's Pension Trust Funds (4)	100%		

HUGH J. BOLTON, FCA
Age: 71(1)
Edmonton, Alberta, Canada
Director since: April 15, 2003
Independent

Mr. Bolton is the chair of the board of directors of EPCOR Utilities Inc. (energy and energy-related services provider, not publicly traded), and the chairman of the board of directors of Matrikon Inc. (supplier of industrial IT solutions).

From 1992 to 1997, Mr. Bolton was Chairman and Chief Executive Partner of Coopers & Lybrand Canada (now PricewaterhouseCoopers), capping a forty-year career with the firm. Mr. Bolton is also a director of Capital Power Corporation, Teck Resources Limited, TD Bank Financial Group and WestJet Airlines Ltd. He is also a director of the Shock Trauma Air Rescue Society (STARS), a non-profit organization providing emergency medical transport using medivac helicopters in Alberta, eastern British Columbia and western Saskatchewan, and of the Alberta Board of Governors of the Miller Thomson Foundation. He was elected as a fellow of the Institute of Corporate Directors in 2006. He has previously served as a member of the Board of Governors of Junior Achievement of Canada and the Canadian Tax Foundation.

SECURITIES AND OPTIONS HELD			
COMMON SHARES OWNED OR CONTROLLED(2)		OPTIONS HELD(3)	
February 2010	42,478(5)	February 2010	N/A
February 2009	37,346(6)	February 2009	N/A

MEMBER OF	ATTENDANCE	OTHER PUBLIC BOARDS DURING PAST 5 YEARS	
Board	82%	Capital Power Corporation	(2009-present)
Audit Committee	100%	WestJet Airlines Ltd.	(2005-present)
Corporate Governance and Nominating Committee	80%	TD Bank Financial Group	(2003-present)
Human Resources and Compensation Committee	100%	Matrikon Inc.	(2001-present)
Strategic Planning Committee	100%	Teck Resources Limited	(2001-present)

AMBASSADOR GORDON D. GIFFIN
Age: 60(1)
Atlanta, Georgia, U.S.A.

Mr. Giffin is Senior Partner of the law firm of McKenna Long & Aldridge, where he maintains offices in Washington, D.C. and Atlanta. His practice focuses on international transactions and trade matters and public

Director since: May 1, 2001
Independent

policy. He has been engaged in the practice of law or government service for more than thirty years. Mr. Giffin was United States Ambassador to Canada from August 1997 to April 2001.

Mr. Giffin is a member of the Board of Trustees of the Jimmy Carter Presidential Center and the board of directors of the Canadian-American Business Council and the Canada-US Fulbright Program. He is chairman of the board of Friends of the National Arts Centre.

Mr. Giffin is also a director of the Canadian Imperial Bank of Commerce, Canadian Natural Resources Limited, TransAlta Corporation and Just Energy Income Fund.

SECURITIES AND OPTIONS HELD			
COMMON SHARES OWNED OR CONTROLLED(2)		OPTIONS HELD(3)	
February 2010	42,165(5)	February 2010	12,000
February 2009	37,412(6)	February 2009	27,000

MEMBER OF	ATTENDANCE	OTHER PUBLIC BOARDS DURING PAST 5 YEARS	
Board	100%	Just Energy Income Fund	(2006-present)
Environment, Safety and Security Committee(4)	100%	Canadian Natural Resources Limited	(2002-present)
Finance Committee	100%	TransAlta Corporation	(2002-present)
Human Resources and Compensation Committee	100%	Canadian Imperial Bank of Commerce	(2001-present)
Strategic Planning Committee	100%	AbitibiBowater Inc.	(2003-2009)
Audit Committee	100%		

EDITH E. HOLIDAY Age: 58(1) Washington, D.C., U.S.A. Director since: June 1, 2001 Independent	Mrs. Holiday is a Corporate Director and Trustee and a former General Counsel, United States Treasury Department and Secretary of the Cabinet, The White House. Mrs. Holiday is a director of H.J. Heinz Company, Hess Corporation, RTI International Metals, Inc. and White Mountains Insurance Group, Ltd. She is also a director or trustee of various investment companies of the Franklin Templeton Group of Funds. She is the recipient of the Direct Women's 2009 Sandra Day O'Connor Board Excellence Award, which honours women who have served with distinction on the board of a public company and advanced the value of diversity in the workplace. Mrs. Holiday is admitted to the bars of the states of Florida, Georgia and the District of Columbia.

SECURITIES AND OPTIONS HELD

COMMON SHARES OWNED OR CONTROLLED(2)		OPTIONS HELD(3)	
February 2010	40,278(5)	February 2010	12,000
February 2009	35,717(6)	February 2009	27,000

MEMBER OF	ATTENDANCE	OTHER PUBLIC BOARDS DURING PAST 5 YEARS	
Board	100%	White Mountains Insurance Group, Ltd.	(2004-present)
Corporate Governance and Nominating Committee	100%	RTI International Metals, Inc.	(1999-present)
Environment, Safety and Security Committee	100%	Franklin Templeton Group of Funds	
Human Resources and Compensation Committee	100%	(various companies)	(1996-present)
Investment Committee of CN's Pension Trust Funds(4)	100%	H.J. Heinz Company	(1994-present)
Strategic Planning Committee	100%	Hess Corporation	(1993-present)

V. MAUREEN KEMPSTON DARKES, O.C., D. COMM., LL.D.	Mrs. Kempston Darkes is the retired Group Vice-President and President Latin America, Africa and Middle East, General Motors Corporation. In 2009 she

Age: 61(1)
Weston, Florida, U.S.A.
Director since: March 29, 1995
Independent

ended a 35-year career at GM during which she attained the highest operating post ever by a woman at GM. From 1994 to 2001, she was President and General Manager of General Motors of Canada Limited and Vice-President of General Motors Corporation.

She is an Officer of the Order of Canada, a member of the Order of Ontario and was ranked by Fortune magazine in 2009 as the 12th Most Powerful Woman in International Business. In 2006, she was the recipient of the Governor General of Canada's Persons Award. Mrs. Kempston Darkes is a member of the University of Toronto's International Alumni Council.

Mrs. Kempston Darkes is also a director of Brookfield Asset Management Inc. and Fort Reliance, the private holding company for Irving Oil.

SECURITIES AND OPTIONS HELD			
COMMON SHARES OWNED OR CONTROLLED(2)		OPTIONS HELD(3)	
February 2010	70,505(5)	February 2010	27,000
February 2009	64,577(6)	February 2009	40,000

MEMBER OF	ATTENDANCE	OTHER PUBLIC BOARDS DURING PAST 5 YEARS	
Board	100%	Brookfield Asset Management Inc.	(2008-present)
Environment, Safety and Security Committee (Chair)	100%	Thompson Corporation	(1996-2008)
Finance Committee	100%	Falconbridge Limited	(2005-2006)
Investment Committee of CN's Pension Trust Funds(4)	100%	Noranda Inc.	(1998-2005)
Strategic Planning Committee	100%		

THE HON. DENIS LOSIER, P.C., LL.D.
Age: 57 (1)
Moncton, New Brunswick, Canada
Director since: October 25, 1994
Independent

Mr. Losier is President and Chief Executive Officer, Assumption Life (life insurance company). Between 1989 and 1994, Mr. Losier held various cabinet level positions with the government of the Province of New Brunswick, including Minister of Fisheries and Aquaculture and Minister of Commerce and Technology.

Mr. Losier is Chairman of the Atlantic Cancer Research Institute's Discoveries fundraising campaign and was co-chair of the University of Moncton's Excellence Campaign. In 2008, he was named a member of the Security Intelligence Review Committee of Canada, and, as such, became a member of the Privy Council. He is a member of the New Brunswick Business Council and a director of NAV CANADA, Enbridge Gas New Brunswick and Plazacorp Retail Properties Ltd.

SECURITIES AND OPTIONS HELD			
COMMON SHARES OWNED OR CONTROLLED(2)		OPTIONS HELD(3)	
February 2010	105,631(5)	February 2010	27,000
February 2009	87,441(6)	February 2009	39,000

MEMBER OF	ATTENDANCE	OTHER PUBLIC BOARDS DURING PAST 5 YEARS	
Board	100%	Plazacorp Retail Properties Ltd.	(2007-present)
Audit Committee (Chair)	100%	NAV CANADA	(2004-present)
Corporate Governance and Nominating Committee	100%		
Investment Committee of CN's Pension Trust Funds(4)	100%		
Strategic Planning Committee	100%		

THE HON. EDWARD C. LUMLEY, P.C., LL.D .
Age: 70 (1)
South Lancaster, Ontario, Canada
Director since: July 4, 1996
Independent

Mr. Lumley is Vice-Chairman, BMO Capital Markets (investment bank). From 1986 to 1991, he served as chair of Noranda Manufacturing Group Inc.

Mr. Lumley was a Member of Parliament from 1974 to 1984, during which time he held various cabinet portfolios in the Government of Canada. He is currently Chancellor of the University of Windsor and a director of BCE Inc., Bell Canada and Dollar-Thrifty Automotive Group, Inc.

SECURITIES AND OPTIONS HELD			
COMMON SHARES OWNED OR CONTROLLED(2)		OPTIONS HELD(3)	
February 2010	93,527(5)	February 2010	Nil
February 2009	87,431(6)	February 2009	Nil

MEMBER OF	ATTENDANCE	OTHER PUBLIC BOARDS DURING PAST 5 YEARS	
Board	100%	BCE Inc.	(2003-present)
Investment Committee of CN's Pension Trust Funds (Chair)(4)	100%	Dollar-Thrifty Automotive Group, Inc.	(1997-present)
Environment, Safety and Security Committee	100%	Magna Entertainment Corp.	(1989-2008)
Finance Committee	100%	Magna International Inc.	(1989-2008)
Human Resources and Compensation Committee	100%	Intier Automotive Inc.	(2001-2005)
Strategic Planning Committee	100%		

DAVID G.A. McLEAN, O.B.C., LL.D. Age: 71 (1) Vancouver, British Columbia, Canada Director Since: August 31, 1994 Independent	Mr. McLean is board chair of the Company and chair and Chief Executive Officer, The McLean Group (real estate investment, film and television facilities, communications and aircraft charters). He is a trustee of the Wetlands America Trust, Inc., the U.S. foundation of Ducks Unlimited. He is a member of the Institute of Canadian Studies at the University of California at Berkeley, a Patron of the Seaforth Highlanders of Canada and past chair of the board of governors of the University of British Columbia, the Vancouver Board of Trade and the Canadian Chamber of Commerce. Mr. McLean was elected as a fellow of the Institute of Corporate Directors of Canada in 2006 and was appointed to the Order of British Columbia in 1999.

SECURITIES AND OPTIONS HELD			
COMMON SHARES OWNED OR CONTROLLED(2)		OPTIONS HELD(3)	
February 2010	191,262(5)	February 2010	Nil
February 2009	177,989(6)	February 2009	Nil

MEMBER OF	ATTENDANCE	OTHER PUBLIC BOARDS DURING PAST 5 YEARS
Board (Chair)	100%	N/A
Corporate Governance and Nominating Committee (Chair)	100%	
Environment, Safety and Security Committee	100%	
Human Resources and Compensation Committee	100%	
Investment Committee of CN's Pension Trust Funds(4)	100%	
Strategic Planning Committee	100%	

CLAUDE MONGEAU Age: 48 (1) Montréal, Quebec, Canada Director since: October 20, 2009 Not Independent	Mr. Mongeau became President and Chief Executive Officer of the Company on January 1, 2010. In 2000, he was appointed Executive Vice-President and Chief Financial Officer of the Company and held such position until June 1, 2009.

Prior to this he held the positions of Vice-President, Strategic and Financial Planning and Assistant Vice-President, Corporate Development upon joining the Company in 1994. In 2005, he was selected Canada's CFO of the Year by an independent committee of prominent Canadian business leaders. Prior to joining CN, Mr. Mongeau was a partner with Secor Group, a Montréal-based management consulting firm. He also worked in the business development unit of Imasco Inc. and as a consultant at Bain & Company.

Mr. Mongeau has been a director of the Montréal Museum of Archaeology and History and of Forces Avenir, which awards annual bursaries to Quebec university students.

Mr. Mongeau is also a director of SNC-Lavalin Group Inc.

SECURITIES AND OPTIONS HELD			
COMMON SHARES OWNED OR CONTROLLED(2)		OPTIONS HELD(3)	
February 2010	216,200	February 2010	863,000
February 2009	205,287	February 2009	735,000

MEMBER OF	ATTENDANCE	OTHER PUBLIC BOARDS DURING PAST 5 YEARS	
Board	100%	SNC-Lavalin Group Inc.	(2003-present)
Strategic Planning Committee	100%	Nortel Networks	(2006-2009)

ROBERT PACE Age: 55 (1) Halifax, Nova Scotia, Canada Director since: October 25, 1994 Independent	Mr. Pace is President and Chief Executive Officer, The Pace Group (radio broadcasting, real estate and environmental services). Mr. Pace began his career as a lawyer in Halifax and worked as Atlantic Canada Advisor to the Prime Minister of Canada. He is a director of the Atlantic Salmon Federation and the Asia Pacific Foundation. Mr. Pace is also a director of High Liner Foods Incorporated and Hydro One Inc. and board chair of Overland Realty Limited.

SECURITIES AND OPTIONS HELD			
COMMON SHARES OWNED OR CONTROLLED(2)		OPTIONS HELD(3)	
February 2010	110,550(5)	February 2010	27,000
February 2009	94,975(6)	February 2009	51,000

MEMBER OF	ATTENDANCE	OTHER PUBLIC BOARDS DURING PAST 5 YEARS	
Board	100%	Hydro One Inc.	(2007-present)
Human Resources and Compensation		Overland Realty Limited	(2006-present)
Committee (Chair)	100%	High Liner Foods Incorporated	(1998-present)
Audit Committee	100%		
Corporate Governance and Nominating Committee	100%		
Investment Committee of CN's Pension Trust Funds(4)	100%		
Strategic Planning Committee	100%		

(1) The age of the directors is provided as at the date of the Meeting (i.e., on April 27, 2010).

(2) The information regarding common shares beneficially owned, controlled or directed has been furnished by the respective nominees individually and includes Directors Restricted Share Units elected as compensation by directors, as well as Deferred Share Units ("DSUs") under the Company's Voluntary Incentive Deferral Plan ("VIDP") in the case of Claude Mongeau, but does not include common shares under options. The VIDP provides eligible senior management employees the opportunity to elect to receive their annual incentive bonus payment and other eligible incentive payments in DSUs payable in cash upon retirement or termination of employment. The number of DSUs received by each participant is established using the average closing price for the 20 trading days prior to and including the date of the incentive payment. For each participant, the Company will grant a further 25% (Company match) of the amount elected in DSUs, which will vest over a period of four years. The election to

receive eligible incentive payments in DSUs is no longer available to a participant when the value of the participant's vested DSUs is sufficient to meet the Company's stock ownership guidelines. The value of each participant's DSUs is payable in cash at the time of cessation of employment. For further details on the VIDP, please see page 48 of this Information Circular.

(3) The information regarding options comprises the options granted under the Management Long-Term Incentive Plan. Mr. Baillie and Mr. Bolton were not members of the Board when options were granted. No options have been granted to non-executive directors since 2002. On March 8, 2005, the Management Long-Term Incentive Plan was amended to provide that option grants under such plan could no longer be made to non-executive directors.

(4) The Investment Committee of CN's Pension Trust Funds is a mixed committee composed of both members of the Board of Directors as well as officers of the Company. Mr. Baillie left the Audit Committee in May 2009 to join the Environment, Safety and Security Committee. Mr. Baillie also joined the Investment Committee of CN's Pension Trust Funds in May 2009. Mr. Giffin left the Environment, Safety and Security Committee to join the Audit Committee in June 2009.

(5) Includes Directors Restricted Share Units as at February 26, 2010 in the following amounts: A. Charles Baillie: 45,679; Hugh J. Bolton: 39,978; Ambassador Gordon D. Giffin: 18,265; Edith E. Holiday: 6,828; V. Maureen Kempston Darkes: 24,005; The Hon. Denis Losier: 38,678; The Hon. Edward C. Lumley: 40,727; David G.A. McLean: 83,352; and Robert Pace: 42,176. Pursuant to the terms of the Directors Restricted Share Units, directors or their estates can only access their Directors Restricted Share Units upon retirement, resignation or death.

(6) Includes Directors Restricted Share Units as at February 27, 2009 in the following amounts: A. Charles Baillie: 39,176; Hugh J. Bolton: 34,846; Ambassador Gordon D. Giffin: 14,637; Edith E. Holiday: 4,517; V. Maureen Kempston Darkes: 23,577; The Hon. Denis Losier: 33,569; The Hon. Edward C. Lumley: 34,631; David G.A. McLean: 70,079; and Robert Pace: 36,101. Pursuant to the terms of the Directors Restricted Share Units, directors or their estates can only access their Directors Restricted Share Units upon retirement, resignation or death.

Board of Directors Compensation

The directors of the Company play a central role in enhancing shareholder value. As indicated under "Nominees for Election to the Board – Board of Directors Compensation – Share Ownership" on page 16, the directors have a substantial investment in the Company. In addition, approximately 69% of the total annual remuneration of the non-executive directors for 2009 was in the form of common shares or Directors Restricted Share Units ("DRSUs"). Subject to the Minimum Shareholding Requirement as defined on page 16 of this Information Circular, directors may elect to receive all or part of their director, committee member, Board chair and committee chair cash retainers either in cash, common shares of the Company purchased on the open market or DRSUs. They may also elect to receive their common share retainers in DRSUs. Each DRSU entitles the beneficiary thereof to receive upon resignation, retirement or death, one common share of the Company purchased on the open market, plus additional DRSUs reflecting dividend equivalents.

The directors' compensation program is designed to attract and retain the most qualified people to serve on CN's Board and committees and takes into account the risks and responsibilities of being an effective director. To reflect the Company's extensive operations in the United States, three of the non-executive director nominees are from the United States and the compensation of the non-executive directors of the Company tends to be comparable to that of large U.S.-based companies.

In consideration for serving on the Board of Directors in 2009, it was determined that each director be compensated as indicated in the table below:

TYPE OF FEE	AMOUNT AND NUMBER OF SHARES
Board Chair Retainer (1)	US$120,000 (2) and 12,000 Shares(2)
Director Retainer (3)	US$15,000 (2) and 4,500 Shares(2)
Committee Chair Retainer (4)	US$15,000(2)
Committee Member Retainer	US$3,500(2)
Board Meeting Attendance Fee	US$1,500
Committee Meeting Attendance Fee	US$1,500
Travel Attendance Fee	US$1,500

(1) The Board chair receives no additional Director Retainer nor Committee Chair or Committee Member Retainer.
(2) Directors may choose to receive all or part of their cash retainer in common shares or DRSUs and their common share retainer can also be received in DRSUs. The common shares are purchased on the open market.
(3) Mr. Mongeau does not and Mr. Harrison did not receive any compensation to serve as director because Mr. Harrison was and Mr. Mongeau is an officer of the Company.
(4) Committee chairs (other than the Board chair) also receive, as members of a committee, a retainer of US$3,500.

The table below reflects in detail the compensation earned by non-employee directors in the 12-month period ended December 31, 2009.

	FEES EARNED							
NAME OF DIRECTOR	DIRECTOR AND BOARD CHAIR RETAINER (CAD$)(2)	COMMITTEE CHAIR RETAINER (CAD$)(2)	COMMITTEE MEMBER RETAINER (CAD$)(2)	BOARD AND COMMITTEE ATTENDANCE AND TRAVEL FEES(3) (CAD$)	SHARE-BASED AWARDS(4) (CAD$)	ALL OTHER COMPENSATION (CAD$)	TOTAL (CAD$)	PERC TO F IN
Michael R. Armellino	17,130	17,130	15,988	63,381	188,224	10,278 (5)	312,131	
A. Charles Baillie	18,362	18,362	19,994	75,372	188,595	6,852 (5)	327,537	
Hugh J. Bolton	17,130	–	15,988	65,094	188,595	1,713 (5)	288,520	
Ambassador Gordon D. Giffin	17,130	–	15,988	59,955	188,224	5,139 (5)	286,436	
James K. Gray (1)	5,710	–	6,662	23,982	188,595	3,426 (5)	228,375	
Edith E. Holiday	17,130	–	19,985	75,372	188,224	5,139 (5)	305,850	
V. Maureen Kempston Darkes	17,130	17,130	15,988	59,955	188,595	13,704 (5)	312,502	
Robert H. Lee (1)	5,710	–	5,329	20,556	188,595	8,565 (5)	228,755	
The Hon. Denis Losier	17,130	17,130	15,988	65,094	188,595	10,278 (5)	314,215	
The Hon. Edward C. Lumley	18,362	18,362	21,422	75,372	188,595	6,852 (5)	328,965	
David G.A. McLean	137,040	–	–	77,085	502,920	12,456 (5,6)	729,501	
Robert Pace	18,362	18,362	21,422	80,511	188,595	1,713 (5)	328,965	
TOTAL	306,326	106,476	174,754	741,729	2,576,352	86,115	3,991,752	

(1)

James K. Gray and Robert H. Lee retired from the Board on the date of the last annual meeting of shareholders held on April 21, 2009.

(2) All directors earned compensation in U.S. currency. Compensation received in cash was converted to Canadian dollars using the average rate of exchange of the Bank of Canada for 2009 (1.142 CAD/USD). Compensation elected to be received in common shares or DRSUs was converted to Canadian dollars using the closing rate of exchange of the Bank of Canada (1.2241 CAD/USD), on the first day opened for trading following the date on which the Board of Directors approved Directors' Compensation (January 26, 2009). In addition to the common shares or DRSUs received by the directors and the Board chair as described in note (4) below, the directors and the Board chair may choose to receive all or part of their cash retainers in common shares or DRSUs. The following directors made such election with respect to the amounts set forth beside their name: A. Charles Baillie (CAD$56,718), The Hon. Edward C. Lumley (CAD$58,146) and Robert Pace (CAD$58,146). The amount of cash retainers elected to be received in common shares or DRSUs is included in these columns.

(3) Includes travel fees which amounted to a total of CAD$143,892, in aggregate, for all directors.

(4) Represents 4,500 common shares or DRSUs received by each non-executive director as part of the Director Retainer (and 12,000 common shares or DRSUs received by the Board Chair as part of the Board Chair Retainer). The value of such grant was calculated as at January 26, 2009 using the closing price on such date on the Toronto Stock Exchange (CAD$41.91) or the New York Stock Exchange (US$34.17) and converted using the closing exchange rate on the same date (1.2241 CAD/USD) for Michael R. Armellino, Ambassador Gordon D. Giffin and Edith E. Holiday.

(5) Such values represent committee attendance fees received in cash for attendance to meetings of board committees of which they were not members. In addition, David G.A. McLean received CAD$5,139 and Ambassador Gordon D. Giffin received CAD$1,713 for their participation in meetings of the Company's Donations and Sponsorships Committee. Such values were converted to Canadian dollars using the average rate of exchange of the Bank of Canada for 2009 (1.142 CAD/USD).

(6) Includes the value for 2009 of insurance premiums for life, accidental death and dismemberment insurance as well as 2009 medical and dental coverage for David G.A. McLean in Canada and the U.S. The total cost to the Company for such benefits is equal to CAD$2,178.39.

(7) This percentage is calculated by dividing the aggregate of the cash retainer elected by non-executive directors to be received in common shares or DRSUs described in note (2) above and the value provided under the share-based awards column, by the value provided under the total column.

Outstanding Option-based Awards and Share-based Awards

The table below reflects all awards outstanding as at December 31, 2009 with respect to non-executive directors.

	OPTION-BASED AWARDS(2)					SHARE-BA	
NAME OF DIRECTOR	DATE OF GRANT AND NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS	(#)	OPTION EXERCISE PRICE (CAD$)	OPTION EXPIRATION DATE	VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS(3) (CAD$)	NUMBER OF SHARES OR UNITS OF SHARES THAT HAVE NOT VESTED (#)	MARK VALU SHARI AWAR HAVE VESTE (CAD$
Michael R. Armellino	–	–	–	–	–	–	
A. Charles Baillie	N/A	N/A	N/A	N/A	N/A	39,848	
Hugh J. Bolton	N/A	N/A	N/A	N/A	N/A	35,158	
Ambassador Gordon D. Giffin	2002/01/25	12,000	25.59	2012/01/25	378,508	14,776	
James K. Gray (1)	–	–	–	–	–	–	
Edith E. Holiday	2002/01/25	12,000	25.59	2012/01/25	378,508	4,567	
V. Maureen	2001/01/26	15,000	16.67	2011/01/26	610,050	23,788	
Kempston Darkes	2002/01/25	12,000	25.59	2012/01/25	381,000		
Robert H. Lee (1)	N/A	N/A	N/A	N/A	N/A	–	
The Hon.	2001/01/26	15,000	16.67	2011/01/26	610,050	33,869	
Denis Losier	2002/01/25	12,000	25.59	2012/01/25	381,000		
The Hon. Edward C. Lumley	–	–	–	–	–	34,985	
David G.A. McLean	–	–	–	–	–	70,707	
Robert Pace	2001/01/26	15,000	16.67	2011/01/26	610,050	36,425	
	2002/01/25	12,000	25.59	2012/01/25	381,000		

(1) James K. Gray and Robert H. Lee retired from the Board on the date of the last annual meeting of shareholders held on April 21, 2009.

(2) Shows information regarding options held by non-executive directors under the Management Long-Term Incentive Plan as of December 31, 2009. As of the date hereof, all these options are exercisable. On March 8, 2005, the Management Long-Term Incentive Plan was amended to provide that option grants under the Plan could no longer be made to non-executive directors. While they remain participants in the Plan for previous grants, the last time non-executive directors received options was in 2002. A. Charles Baillie, Hugh J. Bolton and Robert H. Lee were not members of the Board when options were granted under the Management Long-Term Incentive Plan.

(3) The value of unexercised in-the-money options at financial year-end is the difference between the closing price of the common shares on December 31, 2009 on the Toronto Stock Exchange (CAD$57.34) or the New York Stock Exchange (US$54.36) for Ambassador Gordon D. Giffin and Edith E. Holiday, using the December 31, 2009 closing exchange rate (1.051 CAD/USD), and the exercise price.

(4) Shows information regarding DRSUs held by non-executive directors as of December 31, 2009. The directors may choose to receive all or part of their cash retainers in common shares or DRSUs and their common share retainer can also be received in DRSUs. Pursuant to the terms of the Directors Restricted Share Units, directors or their estates can only access their DRSUs upon retirement or resignation from the Company's Board, or death.

(5) The value of outstanding DRSUs is based on the closing price of the common shares on December 31, 2009 on the Toronto Stock Exchange (CAD$57.34) or the New York Stock Exchange (US$54.36) for Ambassador Gordon D. Giffin and Edith E. Holiday, using the December 31, 2009 closing exchange rate (1.051 CAD/USD).

Share Ownership

The Board has adopted a guideline stating that each non-executive director should own, within three (3) years of joining the Board, common shares, DRSUs or similar share equivalents of CN, if any, with a value of at least the higher of: (i) CAD$250,000, or (ii) three (3) times the aggregate of the annual Director retainer in cash and the annual common share or DRSU grant (and for the Board Chair, the aggregate of the Board Chair annual retainer in cash and the annual common share or DRSU grant) (the "Minimum Shareholding Requirement"). Each non-executive director shall continue to hold such value throughout his or her tenure as a director and the common shares, DRSUs or similar share equivalent of CN held to comply with the Minimum Shareholding Requirement shall not be the object of specific monetization procedures or other hedging procedures to reduce the exposure related to his or her holding.

Each non-executive director is required to receive at least fifty percent (50%) of his or her annual Director, committee, Board chair and committee chair cash retainers in common shares or DRSUs of CN and may elect to receive up to one hundred percent (100%) of such retainers in common shares or DRSUs of CN until his or her Minimum Shareholding Requirement is met. Once the Minimum Shareholding Requirement is met, directors may elect to receive up to one hundred percent (100%) of such retainers in common shares or DRSUs of CN. As of the date hereof, the average value of common shares (including DRSUs) of the Company owned by non-executive directors is approximately CAD$5.3M (based on the February 26, 2010, closing price of the common shares of the Company on the Toronto Stock Exchange of (CAD$55.30), or the New York Stock Exchange (USD$52.66) for U.S. directors.)

The following table provides information on the value of common shares and DRSUs owned by the Company's current directors, the value at risk as a multiple of each director's annual retainer and the amount needed to meet the Minimum Shareholding Requirement.

DIRECTOR	YEAR (1)	NUMBER OF COMMON SHARES OWNED, CONTROLLED OR DIRECTED	NUMBER OF DRSUs HELD(2)	TOTAL NUMBER OF COMMON SHARES OWNED, CONTROLLED OR DIRECTED AND DRSUs	GUIDELINE MET ( ) OR INVESTMENT REQUIRED TO MEET GUIDELINE (CAD$)	TOTAL VA OF COMM SHARES AN (VALUE AT (CAD$)
Michael R.	2010	111,150	–	111,150		
Armellino	2009	106,650	–	106,650		
	Net change	4,500	–	4,500		
A. Charles Baillie	2010	101,600	45,679	147,279		
	2009	94,600	39,176	133,776		
	Net change	7,000	6,503	13,503		
Hugh J. Bolton	2010	2,500	39,978	42,478		
	2009	2,500	34,846	37,346		
	Net change	–	5,132	5,132		
Ambassador	2010	23,900	18,265	42,165		
Gordon D. Giffin	2009	22,775	14,637	37,412		
	Net change	1,125	3,628	4,753		
Edith E. Holiday	2010	33,450	6,828	40,278		
	2009	31,200	4,517	35,717		
	Net change	2,250	2,311	4,561		
V. Maureen	2010	46,500	24,005	70,505		
Kempston Darkes	2009	41,000	23,577	64,577		
	Net change	5,500	428	5,928		
The Hon.	2010	66,953	38,678	105,631		
Denis	2009	53,872	33,569	87,441		

Losier				
	Net change	13,081	5,109	18,190
The Hon. Edward C. Lumley	2010	52,800	40,727	93,527
	2009	52,800	34,631	87,431
	Net change	–	6,096	6,096
David G.A. McLean	2010	107,910	83,352	191,262
	2009	107,910	70,079	177,989
	Net change	–	13,273	13,273
Claude Mongeau	2010	26,750	189,450	216,200
	2009	25,271	180,016	205,287
	Net change	1,479	9,434	10,913
Robert Pace	2010	68,374	42,176	110,550
	2009	58,874	36,101	94,975
	Net change	9,500	6,075	15,575

(1) The number of common shares and DRSUs held by each director for 2010 is as at February 26, 2010 and for 2009 is as at February 27, 2009.

(2) Includes DRSUs elected as part of directors compensation and DSUs under the Company's VIDP held by Claude Mongeau.

(3) The total value is based on the February 26, 2010 closing price of the common shares on the Toronto Stock Exchange (CAD$55.30) or the New York Stock Exchange (US$52.66) for Michael R. Armellino, Ambassador Gordon D. Giffin, Edith E. Holiday and Claude Mongeau, using the closing exchange rate (1.0525 CAD/USD) on the same date.

Board and Committee Attendance

The tables below show the record of attendance by directors at meetings of the Board and its committees, as well as the number of Board and Board committee meetings held during the 12-month period ended December 31, 2009.

	NUMBER AND % OF MEETINGS ATTENDED						
DIRECTOR(1)	BOARD	AUDIT COMMITTEE	CORPORATE GOVERNANCE AND NOMINATING COMMITTEE	ENVI-RONMENT, SAFETY AND SECURITY COMMITTEE	FINANCE COMMITTEE	HUMAN RESOURCES AND COM-PENSATION COMMITTEE	INVESTMENT COMMITTEE OF CN'S PENSION TRUST FUNDS
Michael R. Armellino	11/11 (100%)	5/5	–	–	4/4	–	5/5
A. Charles Baillie	11/11 (100%)	3/3	–	3/3	4/4 (Chair)	9/9	3/3
Hugh J. Bolton	9/11 (82%)	5/5	4/5	–	–	9/9	–
Ambassador Gordon D. Giffin	11/11 (100%)	2/2	–	1/1	4/4	9/9	–
E. Hunter Harrison (2)	9/10 (90%)	–	–	–	–	–	–
Edith E. Holiday	11/11 (100%)	–	5/5	4/4	–	9/9	5/5
V. Maureen Kempston Darkes	11/11 (100%)	–	–	4/4 (Chair)	4/4	–	5/5
The Hon. Denis Losier	11/11 (100%)	5/5 (Chair)	5/5	–	–	–	5/5
The Hon. Edward C. Lumley	11/11 (100%)	–	–	4/4	4/4	9/9	5/5 (Chair)
David G.A. McLean	11/11 (100%) (Chair)	–	5/5 (Chair)	4/4	–	9/9	5/5

Claude Mongeau (3)	3/3 (100%)	–	–	–	–	–	–
Robert Pace	11/11 (100%)	5/5	5/5	–	–	9/9 (Chair)	5/5

(1) In addition to committee members, all non-executive board members attended the January 2009 meeting of the Corporate Governance and Nominating Committee on a non-voting basis. A. Charles Baillie left the Audit Committee in May 2009 to join the Environment, Safety and Security Committee but attended the July 2009 Audit Committee meeting on a non-voting basis. Mr. Baillie also attended the April 2009 Investment Committee of CN's Pension Trust Funds on a non-voting basis, which he also joined in May 2009. Ambassador Gordon D. Giffin left the Environment, Safety and Security Committee to join the Audit Committee in June 2009 but attended the April 2009 Audit Committee meeting on a non-voting basis. Edith E. Holiday, V. Maureen Kempston Darkes, The Hon. Edward C. Lumley and David G.A. McLean attended the April and July 2009 Audit Committee meetings on a non-voting basis. The following directors who do not sit on the Human Resources and Compensation Committee attended the following number of meetings on a non-voting basis: E. Hunter Harrison attended six, The Hon. Denis Losier five, Michael R. Armellino and V. Maureen Kempston Darkes four each and Claude Mongeau one.

(2) E. Hunter Harrison retired as President and Chief Executive Officer and as a member of the Board of the Company on December 31, 2009. The last 2009 Board meeting was exclusively an in camera meeting for non-executive directors and as such was not included in Mr. Harrison's attendance.

(3) Claude Mongeau was appointed to the Board on October 20, 2009.

BOARD AND BOARD COMMITTEE MEETINGS	NUMBER OF MEETINGS HELD IN 2009
Board	11
Audit Committee	5
Corporate Governance and Nominating Committee	5
Environment, Safety and Security Committee	4
Finance Committee	4
Human Resources and Compensation Committee	9
Investment Committee of CN's Pension Trust Funds	5
Strategic Planning Committee	3

Additional Disclosure Relating to Directors

As of the date hereof, to the knowledge of the Company and based upon information provided to it by the nominees for election to the Board of Directors, no such nominee is or has been, in the last 10 years, a director or executive officer of any company that, while such person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, except for the following:

(i) Mr. Baillie, a director of the Company, was a director of Dana Corporation which filed voluntary petitions for reorganization under Chapter 11 of the U.S. Bankruptcy Code on March 3, 2006. Dana's European, South American, Asian-Pacific, Canadian and Mexican subsidiaries are not included in the Chapter 11 filing. Dana Corporation successfully emerged from Chapter 11 reorganization in February 2008. Mr. Baillie is no longer a director of Dana Corporation;

(ii) Mr. Lumley, a director of the Company, was a director of Air Canada when it voluntarily filed for protection under the Companies' Creditors Arrangement Act ("CCAA") in April 2003. Air Canada successfully emerged from the CCAA proceedings and was restructured pursuant to a plan of arrangement in September 2004. Mr. Lumley is no longer a director of Air Canada;

(iii) Mr. Mongeau, a director and the President and Chief Executive Officer of the Company, became a director of Nortel Networks Corporation ("NNC") and Nortel Networks Limited ("NNL") on June 29, 2006. On January 14, 2009, NNC, NNL and certain other Canadian subsidiaries initiated creditor protection proceedings under the CCAA in Canada. Certain U.S. subsidiaries filed voluntary petitions in the United States under Chapter 11 of the U.S. Bankruptcy Code, and certain Europe, Middle East and Africa (EMEA) subsidiaries made consequential filings in Europe and the Middle East. These proceedings are ongoing. Mr. Mongeau resigned as a director of NNC and NNL effective August 10, 2009;

Mr. Mongeau was also acting as a director of 360networks Corporation ("360networks") prior to the latter filing for creditor protection on June 28, 2001. 360networks underwent restructuring in 2002 and sold its Canadian assets to Bell Canada in November 2004. Mr. Mongeau resigned as a director of 360networks with effect as of June 28, 2001;

(iv) Mrs. Kempston Darkes, a director of the Company, was an officer of General Motors Corporation ("GM") when GM filed for bankruptcy protection under Chapter 11 of the U.S. Bankruptcy Code on June 1, 2009. None of the operations for which she was directly responsible in Latin America, Africa and the Middle East were included in the bankruptcy filing. GM emerged from bankruptcy protection on July 10, 2009 in a reorganization in which a new entity acquired GM's most valuable assets. Mrs. Kempston Darkes retired as a GM officer on December 1, 2009; and

(v) Mr. Giffin, a director of the Company, was a director of AbitibiBowater Inc. until January 22, 2009. AbitibiBowater Inc. and certain of its U.S. and Canadian subsidiaries filed voluntary petitions in the United States under Chapter 11 of the U.S. Bankruptcy Code on April 16, 2009. AbitibiBowater Inc. and certain of its Canadian subsidiaries filed for creditor protection under the CCAA in Canada on April 17, 2009.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

General

We are committed to adhering to the highest standards of corporate governance and our corporate governance practices were designed in a manner consistent with this objective. The role, specific mandate and functioning rules of the Board of Directors and of each of its committees are set forth in our Corporate Governance Manual which was formally approved by the Board of Directors on January 21, 2003, and last updated on March 2, 2010. Our Corporate Governance Manual is available on our website at www.cn.ca/governance. It is revised regularly with a view to continually improving our practices by assessing their effectiveness and comparing them with evolving practices, the changing circumstances and our needs. Our Corporate Governance Manual forms part of the documentation given to all persons elected or appointed to the Board of Directors.

As a Canadian reporting issuer with securities listed on the Toronto Stock Exchange (“TSX”) and the New York Stock Exchange (“NYSE”), our corporate governance practices comply with applicable rules adopted by the Canadian Securities Administrators (the “CSA”) and applicable provisions of the U.S. Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”) and related rules of the U.S. Securities and Exchange Commission (“SEC”). We are exempted from complying with many of the NYSE corporate governance rules, provided that we comply with Canadian governance requirements. Except as summarized on our website at www.cn.ca/governance, our governance practices, however, comply with the NYSE corporate governance rules in all significant respects.

The CSA adopted, in June 2005, National Instrument 58-101 – Disclosure of Corporate Governance Practices (the “Disclosure Instrument”) and National Policy 58-201 – Corporate Governance Guidelines (the “Governance Policy”). The Governance Policy provides guidance on governance practices to Canadian issuers, while the Disclosure Instrument requires issuers to make the prescribed disclosure regarding their own governance practices. The Company believes that its corporate governance practices meet and exceed the requirements of the Disclosure Instrument and the Governance Policy. The text and footnotes set forth hereunder refer to the items of the Disclosure Instrument as well as to the guidelines of the Governance Policy, where applicable. The Company also refers, where appropriate, to the NYSE Corporate Governance Standards (the “NYSE Standards”).

The Board of Directors is of the opinion that the Company’s corporate governance practices are well designed to assist the Company in achieving its principal corporate objective, which is the enhancement of shareholder value. The mandate of the Board is set out in Schedule “A” to this Information Circular(2). The Board of Directors has approved the disclosure of the Company’s governance practices described below, on the recommendation of the Corporate Governance and Nominating Committee.

Code of Business Conduct(2)

In 2008, the Board of Directors reviewed and updated its Code of Business Conduct to ensure that it is consistent with current industry trends and standards; clearly communicates CN’s organizational mission, values, and principles; and most importantly, serves as a ready reference guide for any employees to support everyday decision making. The Code is applicable to directors, officers and employees of CN. It addresses several matters, including conflict of interests, protection and proper use of corporate assets and opportunities, confidentiality of corporate information, fair dealing, compliance with laws and reporting of any illegal or unethical behaviour. No waiver has ever been granted to a director or executive officer in connection therewith. The Code is available on our website at www.cn.ca/governance and in print to any shareholder who requests copies by contacting our Corporate Secretary. The Code has also been filed with the Canadian and U.S. securities regulatory authorities.

[redacted]

The Board, through its Corporate Governance and Nominating Committee, reviews, monitors and oversees the disclosure relating to the Company's Code of Business Conduct. Each year, management reports to such committee on the implementation of the Code within the organization and on any material contravention by employees of the Company to the provisions of the Code. No material change report has ever been filed or required to be filed pertaining to any conduct of a director or executive officer constituting a departure from the Code.

The Board requests every director to disclose any direct or indirect interest he or she has in any organization, business or association, which could place the director in a conflict of interest. Every year, a questionnaire is sent to each director to make sure that the director is in no such conflict that has not been disclosed. Should there be a discussion or decision relating to an organization, business or association in which a director has an interest, the Board would request such director not to participate or vote in any such discussion or decision.

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(1) Form 58-101F1 of the Disclosure Instrument ("Form 58-101F1"), section 2; Governance Policy, section 3.4.
(2) Form 58-101F1, section 5; Governance Policy, sections 3.8 and 3.9.

The Company believes that ethical business conduct is an important part of its success. Hence, the mandate of the Board attached as Schedule "A" to this Information Circular states that the Board has the responsibility for overseeing management in the competent and ethical operation of the Company. As part of the Company's Code of Business Conduct, the employees are also required to avoid outside interests that may impair or appear to impair the effective performance of their responsibilities to the Company and be fair and impartial in all dealings with customers, suppliers and partners. A key person in the implementation of the Company's Code of Business Conduct is CN's Ombudsman, who presents reports to the Corporate Governance and Nominating Committee. The office of the Ombudsman offers a confidential, neutral and informal avenue which facilitates fair and equitable resolutions to concerns arising within the Company.

The Board of Directors also adopted procedures allowing interested parties (i) to submit accounting and auditing complaints or concerns to us and (ii) to communicate directly with the Chairman, who presides over all non-management director sessions. These procedures are described on our website at www.cn.ca/governance. The Code of Business Conduct provides that concerns of employees regarding any potential or real wrongdoing in terms of accounting or auditing matters may be submitted confidentially through CN's Hot Line.

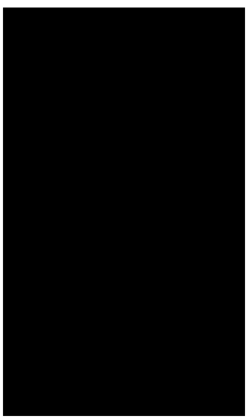
Independence of Directors(1)

To better align the interests of the Board of Directors with those of our shareholders, all of the nominees for election to the Board of Directors, except our President and Chief Executive Officer, are independent. In determining whether a director is an independent director, the Board of Directors applies the standards developed by the Canadian securities regulatory authorities and the NYSE and the additional standards adopted by the Board. These standards are set out in CN's Corporate Governance Manual which is available on our website at www.cn.ca/governance.

As shown in the following table, 10 of the 11 nominees for election to the Board of Directors are independent:

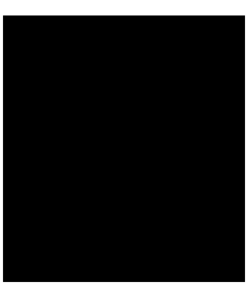
	INDEPENDENCE STATUS		
NAME	INDEPENDENT	NOT INDEPENDENT	REASON FOR NON-INDEPENDENCE STATUS
Michael R. Armellino			
A. Charles Baillie			
Hugh J. Bolton			
Ambassador			
Gordon D. Giffin			
Edith E. Holiday			
V. Maureen			
Kempston Darkes			

The Hon. Denis Losier	
The Hon.	
Edward C. Lumley	
David G.A. McLean	
Claude Mongeau	President and Chief Executive Officer of the Company
Robert Pace	



Independent Chairman of the Board(2)

The Company's Board is led by a non-executive Chairman since its privatisation in 1995 and we believe that the separation of the positions of President and Chief Executive Officer and Chairman contributes to allowing the Board to function independently of management. Hence, our Corporate Governance Manual provides that the Board chair must be an independent director who is designated by the Board. Mr. David G.A. McLean, who has been a director of the Company since 1994, is the independent Board chair. The Corporate Governance Manual describes the responsibilities of the Chairman. The key role of the Board chair is to take all reasonable measures to ensure that the Board (i) has structures and procedures in place to enable it to function independently of management, (ii) carries out its responsibilities effectively and (iii) clearly understands and respects the boundaries between the responsibilities of the Board and those of management.



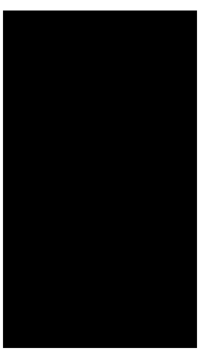
(1) Form 58-101F1, sections 1(a), (b) and (c); Governance Policy, section 3.1.
(2) Form 58-101F1, section 1(f); Governance Policy, section 3.2.

Position Descriptions(1)

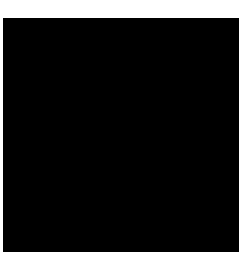
Our Corporate Governance Manual includes position descriptions for the Board chair and the Board committee chairs, as well as a position description for the President and Chief Executive Officer of the Company.

Election of Directors

The Board of Directors has adopted a policy, which is part of our Corporate Governance Manual, to the effect that a nominee for election as a director of the Company who receives a greater number of votes “withheld” than votes “for”, with respect to the election of directors by shareholders, will be expected to offer to tender his or her resignation to the Chairman promptly following the meeting of shareholders at which the director is elected. The Corporate Governance and Nominating Committee will consider such offer and make a recommendation to the Board of Directors whether to accept it or not. The Board of Directors will make its decision and announce it in a press release within 90 days following the meeting of shareholders. The director who offered to tender his or her resignation should not be part of any committee or Board of Directors deliberations pertaining to the resignation offer. This policy only applies in circumstances involving an uncontested election of directors. An “uncontested election of directors” means that the number of director nominees is the same as the number of directors to be elected to the Board and that no proxy material is circulated in support of one or more nominees who are not part of the candidates supported by the Board of Directors.



Committees of the Board(2)
Given our size, the nature and geographical scope of our activities and the great number of laws and regulations to which we are subject, the Board of Directors has subdivided its supervision mandate into six areas and has established committees that have certain responsibilities for such areas. These committees are the Audit Committee, the Finance Committee, the Corporate Governance and Nominating Committee, the Human Resources and Compensation Committee, the Environment, Safety and Security Committee and the Strategic Planning Committee and their charters are available as part of CN’s Corporate Governance Manual. The Board of Directors also established the Investment Committee of CN’s Pension Trust Funds and the Donations and Sponsorships Committee, which are mixed committees composed of members of the Board of Directors as well as officers of the Company. All committees report to the Board of Directors and, subject to certain limited exceptions, there are no standing delegations of the Board of Directors’ decision-making authority to committees.



The following is a brief summary of the mandate of each committee of the Board of Directors.

Audit Committee

The Audit Committee has the responsibility of overseeing the Company's financial reporting, monitoring risk management, internal controls and internal and external auditors. The mandate of the Audit Committee is further described in the section entitled "Statement of Corporate Governance Practices – Audit Committee Disclosure" at page 28 of this Information Circular and in the charter of such committee which is included in our Corporate Governance Manual.

Finance Committee

The Finance Committee has the responsibility of overseeing the Company's financial policies, reviewing financings and authorizing, approving and recommending certain financial activities. As part of these responsibilities, the Finance Committee provides oversight with respect to our capital structure, cash flows and key financial ratios, reviews the opportunities and parameters for debt or equity financing, reviews financing documents and, within the scope of its authority levels established by the Board, may authorize the borrowing of money, the issuing of debt securities or the engaging in other forms of financing, or makes recommendations to the Board thereon. This Committee was created in April 2005 as a result of the division of the former Audit, Finance and Risk Committee into two separate Committees. The responsibilities, powers and operation of the Finance Committee are further described in the charter of such committee which is included in our Corporate Governance Manual.

Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee has the responsibility of monitoring the composition of the Board of Directors and its committees and overseeing corporate governance matters. As part of its responsibilities, the Corporate Governance and Nominating Committee develops, reviews and monitors criteria for selecting directors, including required or desired competencies and skills to improve the Board of Directors and, in consultation with the Board chair, identifies candidates qualified to become Board members.(3)

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(1) Form 58-101F1, sections 3(a) and (b); Governance Policy, section 3.5.
(2) Form 58-101F1, section 8.
(3) Governance Policy, section 3.13.

This Committee reviews the corporate governance guidelines applicable to the Company, recommends any change that should be made thereto and monitors the disclosure of its practices. The responsibilities, powers and operation of the Corporate Governance and Nominating Committee are further described in the charter of such committee which is included in our Corporate Governance Manual.(1)

The charter of the Corporate Governance and Nominating Committee provides that such committee must be composed solely of independent directors. As at February 26, 2010, all members of the Corporate Governance and Nominating Committee are independent.(2)

Human Resources and Compensation Committee
The Human Resources and Compensation Committee has the responsibility of monitoring executive management's performance assessment and succession planning. This Committee also has the mandate to review human resources practices by ensuring, amongst other things, that appropriate human resources systems are in place so that the Company can attract, motivate and retain the quality of personnel required to meet its business objectives. The mandate of the Human Resources and Compensation Committee is further described in the section entitled "Statement of Executive Compensation – Human Resources and Compensation Committee" at page 32 of this Information Circular and in the charter of such committee which is included in our Corporate Governance Manual. The Human Resources and Compensation Committee must be composed solely of independent directors. As at February 26, 2010, all members of the Human Resources and Compensation Committee are independent.(3)

The Board has adopted as policy, which is included in our Corporate Governance Manual, that no more than one in three members of the Human Resources and Compensation Committee shall be a sitting CEO of another company, at least one member shall be experienced in executive compensation, and the President and CEO of the Company shall be excluded from the Committee member selection process.

Reference is also made to the subsection entitled "Statement of Executive Compensation – Human Resources and Compensation Committee – Executive Compensation Consultants" at page 32 of this Information Circular for disclosure in respect of executive compensation consultants.(4)

At a meeting of the Board of Directors in early 2010, it was agreed that the Company would closely monitor the evolution of "Say on Pay" resolutions in 2010 with the intention to include a non-binding advisory "Say on Pay" vote in the Company's 2011 Information Circular.

Environment, Safety and Security Committee
The Environment, Safety and Security Committee has the responsibility, amongst other things, of overseeing the development and implementation of environmental, safety and security policies, assessing environmental, safety and security practices, and reviewing the Company's business plan to ascertain whether environmental, safety and security issues are adequately taken into consideration. The responsibilities, powers and operation of the Environment, Safety and Security Committee are further described in the charter of such committee which is included in our Corporate Governance Manual.

Strategic Planning Committee
The Strategic Planning Committee focuses on financial and strategic issues, including the review of the key assumptions underlying the Company's business plan. It also reviews, with the President and Chief Executive Officer and other appropriate executive officers, the Company's business plan and capital budget prior to their formal approval by the Board of Directors. The responsibilities, powers and operation of the Strategic Planning Committee are further described in the charter of such committee which is included in our Corporate Governance Manual.

Investment Committee of CN's Pension Trust Funds

The Investment Committee of CN's Pension Trust Funds, which is a mixed committee composed of directors and officers, has the responsibility, amongst other things, of reviewing the activities of the Investment Division, advising the Investment Division on investment of assets of CN's Pension Trust Funds and approving certain of the investments made by CN's Pension Trust Funds. The responsibilities, powers and operation of the Investment Committee of CN's Pension Trust Funds are further described in the charter of such committee which is included in our Corporate Governance Manual.

Donations and Sponsorships Committee

The Donations and Sponsorships Committee, which is a mixed committee composed of directors and officers, has the responsibility, amongst other things, of developing a donations and sponsorships strategy and for reviewing and approving donation and sponsorship requests. The responsibilities, powers and operation of the Donations and Sponsorships Committee are further described in the charter of such committee which is included in our Corporate Governance Manual.

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(1) Form 58-101F1, section 6(c); Governance Policy, section 3.11.

(2) Form 58-101F1, section 6(b); Governance Policy, section 3.10. The NYSE Standards state that a board should appoint a nominating committee composed entirely of independent directors and that such committee should have a written charter. The Board has adopted a written mandate for the Corporate Governance and Nominating Committee pursuant to which such committee must be composed solely of independent directors.

(3) Form 58-101F1, sections 7(a), (b) and (c) and Governance Policy, sections 3.15, 3.16 and 3.17 (regarding officers). The NYSE Standards state that the CEO's compensation should be determined by the corporation's compensation committee or by all independent directors of the corporation. Our Corporate Governance Manual provides that the CEO's compensation is determined by the Company's independent directors only. The NYSE Standards state that a board should appoint a compensation committee composed entirely of independent directors and that such committee should have a written charter. The Board has adopted a written mandate for the Human Resources and Compensation Committee pursuant to which such committee must be composed solely of independent directors.

(4) Form 58-101F1, section 7(d).

Board and Committee Meetings

Process

The Board chair, in collaboration with the Corporate Secretary, has the responsibility of establishing a schedule for the meetings of the Board of Directors and its committees. During such process, the Corporate Secretary, in collaboration with the Board and committee chairs and the appropriate executive officers, establishes Board and committee working plans for the year. We believe that proceeding in this manner helps in the preparation of in-depth presentations conducive to meaningful information sessions and discussions while allowing management to plan ahead. If during the course of the year events or circumstances require Board or committee action or consideration, additional meetings are called. The total number of meetings and the attendance record for each director for all board and committee meetings held during the course of 2009 are set out in the section entitled “Nominees for Election to the Board – Board and Committee Attendance” of this Information Circular.(1)

[redacted]

Communication regularly takes place between the Board chair and the President and Chief Executive Officer and, through the Office of the Corporate Secretary, between executive officers having responsibilities for matters placed under the supervision of particular committees and the chairs of such committees. This open communication ensures that all meaningful information concerning the affairs and progress of the Company are transmitted to those members of the Board of Directors or committees having special supervisory responsibilities.

In Camera Meetings

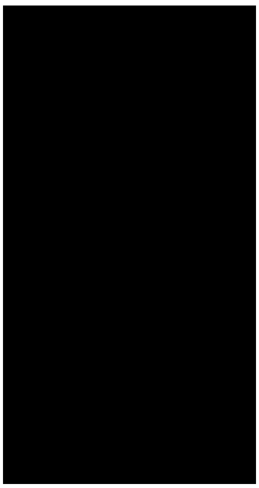
The independent Board members meet before or after every in-person meeting of the Board of Directors in in camera sessions, without the presence of management and under the chairmanship of the Board chair. During the financial year ended December 31, 2009, there were eight in camera sessions that were attended only by non-executive directors.(2)

[redacted]N MEETING

Director Selection(3)

Review of Credentials

In consultation with the Board chair, the Corporate Governance and Nominating Committee annually reviews the credentials of nominees for election or re-election as members of the Board of Directors. It considers their qualifications, the validity of the credentials underlying each nomination, and, for nominees who are already directors of the Company, an evaluation of their effectiveness and performance as members of the Board of Directors, including their attendance at Board and committee meetings. Board and board committee members are expected to attend all meetings. As stated in our Corporate Governance Manual, any director who has attended less than 75% of meetings of the board or meetings of committees on which they sit, for more than two consecutive years, without a valid reason for the absences, will not be renominated. The Corporate Governance and Nominating Committee is constantly on the lookout and monitoring for new candidates for nomination to the Board of Directors and is mindful of the mandatory retirement dates of current directors.



Competency Matrix

In proposing the list of Board nominees, the Board of Directors is guided by the process described in our Corporate Governance Manual, which is posted on our website at www.cn.ca/governance. As part of the process, the Board chair, in consultation with the Corporate Governance and Nominating Committee, develops a competency matrix based on knowledge areas, types of expertise and geographical representation and identifies any gaps to be addressed in the director nomination process. The Board ensures that the skill set developed by directors, through their business expertise and experience, meets the needs of the Board. The Board also takes into consideration the representativity, both in terms of experience and geographical location, of each candidate to the Board. This competency matrix is reviewed regularly by the Board chair with Board members, and is updated as may be required.

(1) Form 58-101F1, section 1(g).
(2) Form 58-101F1, section 1(e); Governance Policy, section 3.3.
(3) Form 58-101F1, section 6(a); Governance Policy, sections 3.12, 3.13 and 3.14.

The following table identifies some of the current skills and other factors considered as part of the competency matrix developed by the Board chair and the Corporate Governance and Nominating Committee, along with identification of each director possessing each skill:

	SALES/ MARKETING	FINANCE	ACCOUNTING	LEGAL	STRATEGY	HUMAN RESOURCES	ENGINEERING/ ENVIRONMENT	KNO OF T IND
Michael R. Armellino								
A. Charles Baillie								
Hugh J. Bolton								
Ambassador Gordon D. Giffin								
Edith E. Holiday								
V. Maureen Kempston Darkes								
The Hon. Denis Losier								
The Hon Edward C. Lumley								
David G.A. McLean								
Claude Mongeau								
Robert Pace								

Common Directorships

With a view to further strengthen directors' independence, the Board has adopted a policy pursuant to which a director shall not accept the invitation to join an outside board on which a director of CN already sits without previously obtaining the approval of the Corporate Governance and Nominating Committee. In addition, the Board has adopted a policy, which is included in our Corporate Governance Manual, to the effect that no more than two of the Company's directors should generally serve on the same outside board or outside board committee.

As of February 26, 2010, no members of our Board of Directors served together on the boards of other public companies.

Number of Directorships

CN recognizes that Board membership requires a significant dedication of time. As a result, the number of boards on which an individual can serve is necessarily limited. With a view to taking reasonable steps to ensure the ability of each candidate to make the commitment of time necessary to be a director of CN, the Board will apply the following guidelines when considering candidates to become directors of CN:

- for candidates that are chief executive officers or other senior executives of public corporations, the Board will prefer individuals who hold no more than two (2) public corporation directorships (excluding CN's Board) in addition to membership on the board of the corporation at which an individual is employed;

- for candidates that have a full-time employment with non-public corporations or other entities and for full-time employees of public corporations (other than chief executive officers or senior executives of such public corporations), the Board will prefer individuals who hold no more than four (4) public corporation directorships (excluding CN's Board) in addition to membership on the board of the corporation at which an individual is employed; and

- for other candidates, the Board will prefer individuals who hold no more than five (5) public corporation directorships (excluding CN's Board).

Directors are expected to provide the Board chair with information as to all boards of directors that they sit on or that they have been asked to join so as to allow the Board to determine whether it is appropriate for such director to continue to serve as a member of the Board or of a Board Committee. The Corporate Governance and Nominating Committee and the Board chair will apply Board nominee selection criteria, including directors' past contributions to the Board and availability to devote sufficient time to fulfill their responsibilities, prior to recommending directors for re-election for another term.

The biographies on pages 8 to 13 of this Information Circular identify the other reporting issuers of which each nominee is a director.(1)

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(1) Form 58-101F1, section 1(d).

Evergreen List

In order to assist the Corporate Governance and Nominating Committee and the Board chair in recommending candidates to become directors of CN, the Corporate Governance and Nominating Committee has constituted, together with the Board chair, a list of potential Board candidates, which it updates from time to time.

Retirement from the Board

The Board has also adopted a policy on the 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-fifth birthday. In addition, directors are expected to inform the Board chair of any major change in their principal occupation so that the Board will have the opportunity to decide the appropriateness of such director's continuance as a member of the Board or of a Board committee. The Board of Directors has not deemed it appropriate or necessary to limit the number of terms a director may serve on the Board.

Director Emeritus

The Board of Directors confers, from time to time, the honorary status of Director Emeritus to retiring or former directors who have made significant contributions to the Board through long and distinguished service and accomplishments. Currently, lifetime emeritus status has been bestowed upon Purdy Crawford, Raymond Cyr, James K. Gray and Cedric Ritchie.

From time to time, Directors Emeritus may be invited, as guests, to attend meetings of the Board or any committee of the Board and, if present, may participate in the discussions occurring at such meetings. Directors Emeritus shall not be counted for the purpose of determining whether a quorum of the Board or a committee of the Board is present nor shall they vote or receive compensation for such participation. Directors Emeritus are also invited to attend the Annual Meeting of Shareholders and Company or Board functions and are reimbursed for reasonable travel and other out-of-pocket expenses in connection with attendance at such events.

Board Performance Assessment(1)

Process

The Board of Directors has implemented, and reviews, from time to time, a comprehensive process to annually assess its effectiveness, the effectiveness of its committees, the Board chair, the committee chairs and individual directors. This process is under the supervision of the Corporate Governance and Nominating Committee and the Board chair and is comprised of the following steps:

- The following questionnaires are prepared by the Office of the Corporate Secretary and approved by the Corporate Governance and Nominating Committee and the Board chair, taking into account current issues, the findings of previous years and input from the Board of Directors:
  - Board and committee performance evaluation questionnaires, including a self-assessment by individual directors;
  - a Board chair evaluation questionnaire; and
  - committee chair evaluation questionnaires.
- Each questionnaire is then sent to every director and a complete set of the responses is forwarded to the Board chair, except for the responses to the evaluation questionnaires relating to the Board chair and Corporate Governance and Nominating Committee chair, which are forwarded directly to each of the chairs of the Audit Committee and the Human Resources and Compensation Committee.

- Following receipt of the completed questionnaires, the Board chair contacts every director and conducts open and confidential one-on-one meetings to discuss the answers received from and in respect of such director and any comments to the questionnaires which the director may have and to review the self-evaluation of each director. One of the Audit Committee or Human Resources and Compensation Committee chairs also discusses individually with each director his or her responses and comments on the Board chair and Corporate Governance and Nominating Committee chair evaluation questionnaires.

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(1) Form 58-101F1, section 9; Governance Policy, section 3.18.

- Reports are then made by the Board chair and the Audit Committee and Human Resources and Compensation Committee chairs to the Board of Directors, with suggestions to improve the effectiveness of the Board of Directors, Board committees, Board and committee chairs and separately to individual directors in respect of their personal performance.

- The Board chair and committee chairs take into consideration the overall results and suggestions derived from the annual Board performance assessment in order to improve the functioning and activities of the Board and Board committees.

Independent Advisor
In addition to the above-mentioned process, the Board may, from time to time, hire an independent advisor to assess or assist the Board of Directors in independently assessing the performance of the Board of Directors, Board committees, Board and committee chairs and individual directors.

Peer Assessment
The Corporate Governance and Nominating Committee also considers on an annual basis the appropriateness of conducting a peer assessment through an independent advisor. At the end of 2007, the Corporate Governance and Nominating Committee and the Board carried out an individual director peer assessment with the assistance of an independent advisor, as was done in 2004. In 2009, no such assessment was deemed necessary given the fact that one was carried out in 2007 and that there had been no change in the composition of the Board. In 2007, the process involved peer assessment questionnaires which were completed by each director and forwarded directly and confidentially to the advisor. Responses were then consolidated in an individual director report and distributed by the advisor directly to each director, as well as to the Board chair, and a report was made by the Board chair to the Board of Directors. The Board chair leads on an annual basis a peer review process through one-on-one meetings with each individual director.

The Board performance assessment process is further described in CN's Corporate Governance Manual which is available on our website at www.cn.ca/governance.

Board Compensation

The Corporate Governance and Nominating Committee annually reviews with the Board chair and makes recommendations to the Board on the adequacy and form of compensation for non-executive directors, taking reasonable steps to ensure such compensation realistically reflects the responsibilities and risk involved, without compromising a director's independence. See the section entitled "Nominees for Election to the Board – Board of Directors Compensation" of this Information Circular for additional information on compensation received by directors in 2009.(1)

Director Orientation and Continuing Education (2)

Orientation
New directors are provided with a Directors' handbook containing corporate and other information required to familiarize themselves with the Company, its organization and operations. Our orientation program includes presentations by the Company's officers on the Company's organizational structure and the nature and operation of its business, a review with the Board chair of the methods of operation and the roles of the Board and its committees, a discussion on the contribution individual directors are expected to make and access to appropriate information or outside resources as required.

Continuing Education

The Board chair arranges for Board members to have access to education and information on an ongoing basis pertaining to Board effectiveness and the best practices associated with successful boards, briefings on factors or emerging trends that may be relevant to the Company's business strategy and other material as deemed appropriate by the Board chair. The Company also makes available, at its cost, a host of educational programs provided by leading institutions. We encourage directors to attend seminars and other educational programs and to report back to the Board on the quality of such programs. Educational reading materials on corporate governance and other topics are also included in the materials provided to the Board in advance of meetings.

[redacted]ALS

(1) Form 58-101F1, section 7(a) and Governance Policy, section 3.17(b) (regarding directors).
(2) Form 58-101F1, sections 4(a) and (b); Governance Policy, sections 3.6 and 3.7.

In 2009, Board members were provided with educational reading materials and presentations on a variety of matters and topics, including:

- corporate governance;
- executive compensation;
- executive succession planning;
- financial strategy, risk assessment and disclosure;
- key accounting considerations; and
- current Sarbanes-Oxley Act requirements.

Moreover, the directors have from time to time been provided with first-hand opportunities to visit certain sites in which CN is making significant investments, such as the intermodal terminals in Prince George and at the Port of Prince Rupert. They have also visited certain of CN's main yards, as well as our Information Technology command center. During such events, the Board had the opportunity to interact with CN officers to gain a full appreciation of such strategic projects and to learn more about CN's overall operations. Directors also attend community dinners throughout the year.

Audit Committee Disclosure

National Instrument 52-110 – Audit Committees ("NI 52-110") of the CSA requires issuers to include the charter of their audit committee and disclose information with respect to the composition, education and experience of the members of their audit committees, as well as all fees paid to external auditors in their annual information form. We comply with the requirements regarding composition and responsibilities, as summarized hereinafter, and we refer you to Schedule "A" of our Annual Information Form available on SEDAR at www.sedar.com and on our website at www.cn.ca/governance with regards to the charter of our Audit Committee.(1)

Composition of the Audit Committee
The Audit Committee is composed of five independent directors, namely, The Hon. Denis Losier, Chair of the Committee, Michael R. Armellino, Ambassador Gordon D. Giffin, Hugh J. Bolton and Robert Pace. The chair of the Human Resources and Compensation Committee, Mr. Pace, is necessarily a member of the Audit Committee, as provided for in the Corporate Governance Manual. No member of the Audit Committee receives, other than in his or her capacity as a director or member of a Board committee, directly or indirectly, any fee from the Company or any subsidiary of the Company, nor is an affiliated person of the Company, or any subsidiary of the Company.(2)

Mandate of the Audit Committee
The committee's responsibilities can be divided into four categories:
- overseeing financial reporting;
- monitoring risk management and internal controls;
- monitoring internal auditors; and
- monitoring external auditors.

They include the following:

OVERSEEING FINANCIAL REPORTING
The mandate of the Audit Committee provides that the committee is responsible for reviewing, with management and the external auditors, the annual and quarterly financial statements of the Company and accompanying information, including the Company's MD&A disclosure and earnings press releases, prior to their release, filing and distribution. The mandate also provides that the committee should review the procedures in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements and periodically

assess the adequacy of those procedures.(3)

The Audit Committee is also responsible for reviewing the financial information contained in the annual information form and other reports or documents, financial or otherwise, requiring Board approval.

Furthermore, the Audit Committee is in charge of reviewing the results of the external audit, any significant problems encountered in performing the audit, and management's response and/or action plan related to any issue identified by the external auditors and any significant recommendations relating thereto.

MONITORING RISK MANAGEMENT AND INTERNAL CONTROLS

The Audit Committee is responsible for receiving periodically management's report assessing the adequacy and effectiveness of CN's disclosure controls and procedures and systems of internal control. The mandate of the Audit Committee also provides that the committee must review CN's risk assessment and risk management policies.

The Audit Committee is also responsible for assisting the Board with the oversight of CN's compliance with applicable legal and regulatory requirements.

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(1) NI 52-110, section 2.3, subsection 1.

(2) NI 52-110, section 3.1, subsections 1, 2 and 3. The NYSE Standards and the applicable rules of the SEC require that in order to be considered independent, a member of the Audit Committee should not, other than in his or her capacity as a director or member of a board committee and in other limited circumstances, accept directly or indirectly any consulting, advisory or other compensatory fee from the Company or any subsidiary of the Company nor be an affiliated person of the Company or any subsidiary of the Company. All members of the Audit Committee are independent pursuant to such definition.

(3) NI 52-110, section 2.3, subsections 5 and 6.

Additionally, the mandate of the Audit Committee provides that the committee must establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters or employee concerns regarding accounting or auditing matters, while insuring confidentiality and anonymity. CN has adopted such procedures. Please refer to the Corporate Governance section of our website at www.cn.ca/governance for more details on these procedures.(1)

MONITORING INTERNAL AUDITORS

The Audit Committee is responsible for ensuring that the Chief Internal Auditor reports directly to the Audit Committee, and for regularly monitoring the internal audit function's performance, its responsibilities, staffing, budget and the compensation of its members. It further annually reviews the internal audit plan and ensures that the internal auditors are accountable to the Audit Committee.

MONITORING EXTERNAL AUDITORS

The mandate of the Audit Committee states that the committee is responsible for recommending the retention and, if appropriate, the removal of external auditors, evaluating and remunerating them, and monitoring their qualifications, performance and independence.(2)

The Audit Committee is also in charge of approving and overseeing the disclosure of all audit, review and attest services provided by the external auditors, determining which non-audit services the external auditors are prohibited from providing, and pre-approving and overseeing the disclosure of permitted non-audit services by the external auditors.

The Audit Committee is responsible for overseeing the external auditors and discussing with them the quality and not just the acceptability of the Company's accounting principles, including any material written communications between the Company and the external auditors (including a disagreement, if any, with management and the resolution thereof).(3)

The Audit Committee also reviews at least annually, the formal written statement from the external auditors stating all relationships the external auditors have with CN and confirming their independence.

The mandate of the Audit Committee also provides that the committee is responsible for reviewing hiring policies for employees or former employees of the Company's firm of external auditors.(4)

Furthermore, the mandate of the Audit Committee states that the Audit Committee may retain independent advisors to help it carry out its responsibilities, including fixing such advisors' fees and retention terms, subject to advising the Board chair. The committee makes arrangements for the appropriate funding for payment of the external auditors and any advisors retained by it. Pursuant to its charter, the Audit Committee also has direct communication channels with the internal and external auditors to discuss and review specific issues as appropriate. The internal and external auditors must meet separately with the Audit Committee, without management, twice a year, and more frequently as required.(5)

The Audit Committee met five times in 2009 and held in camera sessions. The report of the Audit Committee, set forth in Schedule "B" to this Information Circular, outlines the major subject areas reviewed by the committee during the year, in compliance with its mandate.

Audit Committee Report Regarding Internal Control Over Financial Reporting

The Audit Committee received periodically management's report assessing the adequacy and effectiveness of our disclosure controls and procedures and systems of internal control in respect of the 2009 fiscal year. The Company's external auditors, KPMG LLP, are responsible for performing an independent audit of our consolidated financial statements in accordance with Canadian generally accepted auditing standards and the standards of the Public

Company Accounting Oversight Board ("PCAOB") in the U.S., and an independent audit of the effectiveness of internal control over financial reporting, in accordance with the standards of the PCAOB. These audits serve as a basis for KPMG LLP's opinions addressing whether the consolidated financial statements fairly present our financial position, results of operations, and cash flows in conformity with U.S. generally accepted accounting principles.

The Audit Committee has discussed with KPMG LLP the matters required to be discussed by the American Institute of Certified Public Accountants Statement on Auditing Standards No. 61 (Communication With Audit Committees) and Canadian Institute of Chartered Accountants Handbook Section 5751 (Communications With Those Having Oversight Responsibility for the Financial Reporting Process) including matters relating to the conduct of the audit of our financial statements and the assessment of the effectiveness of our internal control over financial reporting under section 404 of the Sarbanes-Oxley Act.

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(1) NI 52-110, section 2.3, subsection 7.
(2) NI 52-110, section 2.3, subsection 2.
(3) NI 52-110, section 2.3, subsection 3.
(4) NI 52-110, section 2.3, subsection 8.
(5) NI 52-110, section 4.1.

KPMG LLP provided the Committee with written disclosures and the letter required by Rule 3526 of the PCAOB, which supersedes Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees) and the two related interpretations. The Audit Committee has discussed with KPMG LLP the firm's independence from the Company. A formal written statement describing all relationships between KPMG LLP and the Company including a written confirmation that KPMG LLP are independent within the meaning of the rules of the Code of Ethics of the "Ordre des comptables agréés du Québec" and are independent public accountants with respect to the Company within the meaning of U.S. federal securities laws and the rules and regulations thereunder, including the independence rules adopted by the SEC pursuant to the Sarbanes-Oxley Act, and Rule 3526 of the PCAOB was also remitted to the Audit Committee.

Based on this review and these discussions, the Audit Committee recommended to the Board that the Company's audited consolidated financial statements be filed with Canadian securities regulators and included in the Company's Annual Report on Form 40-F for the year ended December 31, 2009 filed with the SEC.

Education and Relevant Experience of the Audit Committee Members

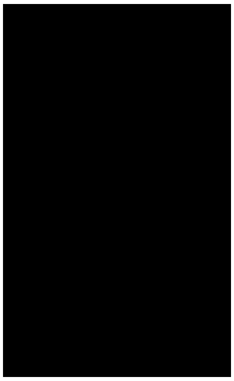
The Board of Directors believes that the composition of the Audit Committee reflects a high level of financial literacy and experience. As required in the charter of the Audit Committee, all members of the Audit Committee are financially literate, as such terms are defined under Canadian securities laws and regulations (1) and the NYSE Standards, and several members of the committee meet all criteria to be designated as "audit committee financial expert" under the rules of the SEC. The Board has made such determination based on the education and experience of each committee member.

In determining if a director is an "audit committee financial expert", the Board considers if the director is a person who has: (a) an understanding of generally accepted accounting principles and financial statements; (b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves; (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more persons engaged in such activities; (d) an understanding of internal controls and procedures for financial reporting; and (e) an understanding of audit committee functions.

The following is a description of the education and experience of each member of the Audit Committee as of the date of this Information Circular that is relevant to the performance of his responsibilities as a member of the committee:

Mr. Losier is President and Chief Executive Officer, Assumption Life. Mr. Losier held various cabinet level positions with the government of the Province of New Brunswick, from 1989 to 1994. He is a director and member of the audit committee of Plazacorp Retail Properties Ltd., and he is also a director of Enbridge Gas New Brunswick Limited Partnership and NAV CANADA. Mr. Losier holds a Masters of Economics from the University of Western Ontario.

Mr. Armellino is a Retired Partner, The Goldman Sachs Group, LP. From 1991 to 1994, Mr. Armellino was chair and Chief Executive Officer of Goldman Sachs Asset Management. Prior to 1991, he had held various positions at Goldman, Sachs & Co., including those of senior transportation analyst and Partner in Charge of Research. He is a Chartered Financial Analyst. Mr. Armellino holds an MBA in finance from the Stern School of Business (New York University), New York and has more than 25 years of experience as a securities analyst.



Mr. Bolton is the Chairman of the board of directors of EPCOR Utilities Inc. and Matrikon Inc. Mr. Bolton is a director and chair of the audit committees of Teck Resources Limited and WestJet Airlines Ltd. From 1992 to 1997, Mr. Bolton was chair and Chief Executive Partner of Coopers & Lybrand Canada (now PricewaterhouseCoopers). Mr. Bolton was a partner of Coopers & Lybrand for 34 years and a public accountant and auditor with that firm for 40 years. He is a fellow of the Alberta Institute of Chartered Accountants. He holds an undergraduate degree of economics from the University of Alberta.

Mr. Pace is the President and Chief Executive Officer, The Pace Group. Mr. Pace is also a member of the board of directors of Maritime Broadcasting Systems Limited, High Liner Foods Incorporated, Hydro One and is board chair of Overland Realty Limited. Mr. Pace holds an MBA and an LL.B Law Degree from Dalhousie University in Halifax, Nova Scotia, and has more than 20 years of business experience.

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(1) NI 52-110, section 3.1, subsection 4.

Mr. Giffin is Senior Partner of the law firm of McKenna Long & Aldridge, where he maintains offices in Washington, D.C. and Atlanta. His practice focuses on international transactions and trade matters and public policy. He has been engaged in the practice of law or government service for more than thirty years. Mr. Giffin was United States Ambassador to Canada from August 1997 to April 2001. Mr. Giffin is also a director of Canadian Imperial Bank of Commerce, Canadian Natural Resources Limited, TransAlta Corporation and Just Energy Income Fund. He is a member of the Audit Committee of Canadian Natural Resources Limited and previously served as a member of the Audit Committee of AbitibiBowater Inc.

Auditors Fees
KPMG LLP has served as the Company's auditors since 1992. For the years ended December 31, 2009 and 2008, the fees for audit, audit-related, tax and other services provided to the Company by KPMG LLP were the following:

FEES	2009(1) (CAD$)	2008(1) (CAD$)
Audit	2,812,000	2,794,000
Audit-Related	1,134,000	1,170,000
Tax	811,000	797,000
Other	–	–
TOTAL FEES	4,757,000	4,761,000

(1) Fees rounded to the nearest thousand.

Pursuant to the terms of its charter, the Audit Committee approves all audit and audit-related services, audit engagement fees and terms and all non-audit engagements provided by the independent auditor. The Audit Committee pre-approved all the services performed by our independent auditors for audit-related and non-audit related services for the years ended December 31, 2009 and 2008 that were required to be pre-approved.

The nature of the services under each category is described below.

Audit Fees
Consist of fees incurred for professional services rendered by the auditors in relation to the audit of the Company's consolidated annual financial statements and those of its subsidiaries, and the audit relating to the Company's internal control over financial reporting.

Audit-Related Fees
Audit-related fees were incurred for professional services rendered by the auditors in relation to the audit of the financial statements for the Company's pension plans, and for attestation services in connection with reports required by statute or regulation and due diligence and other services, including comfort letters, in connection with the issuance of securities.

Tax Fees
Consist of fees incurred for consultations on cross-border tax implications for employees and tax compliance.

Other Fees
Nil

The mandate of the Audit Committee provides that the Audit Committee determines which non-audit services the external auditors are prohibited from providing. CN's Audit Committee and the Board of Directors have adopted resolutions prohibiting the Company from engaging KPMG LLP to provide certain non-audit services to the Company and its subsidiaries, including bookkeeping or other services related to the accounting records or financial statements, financial information systems design and implementation, appraisal or valuation services, fairness opinions, or contribution in-kind reports, actuarial services, internal audit outsourcing services, management functions or human resources functions, broker or dealer, investment adviser, or investment banking services and legal services and expert services unrelated to the audit. Pursuant to such resolutions, the Company may engage KPMG LLP to provide non-audit services, including tax services, other than the prohibited services listed above, but only if the services have specifically been pre-approved by the Audit Committee.(1)

(1) NI 52-110, section 2.3, subsection 4.

STATEMENT OF EXECUTIVE COMPENSATION

Human Resources and Compensation Committee

Composition of the Human Resources and Compensation Committee

The Human Resources and Compensation Committee ("Committee") is comprised of seven independent directors.

Committee members in 2009 were Robert Pace, Chair of the Committee, A. Charles Baillie, Hugh J. Bolton, Gordon D. Giffin, Edith E. Holiday, Edward C. Lumley and David G.A. McLean.
Of these members, four have compensation experience. The chairman of the Committee, Mr. Pace, will be available to answer compensation-related questions at the Meeting.

Mandate of the Human Resources and Compensation Committee

The Committee's responsibilities include:

- ensuring that appropriate mechanisms are in place regarding succession planning for the position of President and Chief Executive Officer ("CEO");
- reviewing executive management's performance assessment and succession planning;
- recommending to the Board of Directors executive management's compensation;
- reviewing human resources practices by ensuring, among other things, that appropriate human resources systems are in place to allow the Company to attract, motivate and retain the quality of personnel required to meet its business objectives.

The Committee's full charter is available as part of CN's Corporate Governance Manual at www.cn.ca, under Delivering Responsibly/Governance.

The Committee met nine times in 2009 and held in camera sessions during each meeting. The report of the Human Resources and Compensation Committee, set forth in Schedule "B" to this Information Circular, outlines the major subject areas reviewed by the Committee during the year.

Succession Planning and Leadership Development

In 2009, the Committee put an emphasis on transition and succession planning for the Company's most senior officers, including the President and Chief Executive Officer and the Executive Vice-President and Chief Financial Officer. The Committee and the Board of Directors are satisfied that Mr. Mongeau and Mr. Jobin are of the highest calibre and will continue to build on CN's success. The Committee and the Board are equally satisfied with the appointment, in January 2010, of two other highly-regarded executives, Mr. Keith E. Creel as Executive Vice-President and Chief Operating Officer and Mr. Jean-Jacques Ruest as Executive Vice-President and Chief Marketing Officer. Succession and transition matters were discussed in camera at all regular meetings of the Committee.

At the December 2009 meeting, the broad plan for 2010 on leadership development and talent management was presented. The plan builds on work done in the second half of 2009 to assess managers across all functions, identify strengths and development needs, and foster discussion on plans to address such needs for key roles and individuals. Moving forward, the process will continue to leverage in-depth assessments of select leaders to ensure comprehensive succession plans are in place for critical positions.

Compensation Determination Process

As discussed in the "Compensation Discussion and Analysis" section below, the executive compensation policy of the Company is developed using various tools and processes. The executive compensation philosophy takes into account the Company's needs and characteristics, and compensation is benchmarked using a comparator group. The Company is committed to staying aligned with best practices pertaining to executive compensation. In 2009, in the context of the CEO succession and transition process, the Company reviewed its practices and modified several aspects thereof, as explained in the "Compensation Discussion and Analysis" section.

Executive Compensation Consultants

Management retains consulting firms to assist in determining compensation for its officers. In 2009, Management retained the services of Towers Watson to provide market information, surveys and trends, as well as external opinions on various executive compensation matters. In 2009, Management paid approximately CAD$121,000 to Towers Watson for these services. The Committee also independently retains, from time to time, the services of executive compensation consultants to provide advice on compensation recommendations that are presented for Committee approval. In 2009, the Committee retained the services of Hugessen Consulting Inc. ("Hugessen") for that purpose. The Committee mandated Hugessen to review and provide advice directly to the Committee on executive compensation recommendations and related questions, with a particular focus on transition matters. In aggregate, the fees paid to Hugessen in 2009 totalled approximately CAD$152,000.

The Committee evaluated Hugessen's performance for 2009. The Committee is satisfied with the advice received from Hugessen and that such advice is objective and independent. In 2007, the Board of Directors adopted a policy to the effect that the Chair of the Committee shall pre-approve all non-compensation services provided to the Company by the consultant retained by the Committee to perform compensation-related services. Pursuant to an understanding between the Committee and Hugessen, the latter has agreed not to perform any work for Management. During 2009, the only services performed by Hugessen were compensation-related services provided directly to the Committee.

TYPE OF FEE	BILLED IN 2008 ($)	BILLED IN 2009 ($)	PERCENTAGE OF TOTAL FEES BILLED IN 2009 (%)
Human Resources and Compensation Committee Work	92,000	152,000	100
Management Work	0	0	0

Compensation Discussion and Analysis

The Executive Compensation Policy of the Company

The pivotal and continuing theme of the Company's compensation policy has been to tie remuneration to the financial performance of the Company and the enhancement of shareholder value. This theme also underlies the need to attract, retain and motivate outstanding executive talent in an increasingly competitive environment.

The Company is committed to a compensation policy that drives short- and long-term business performance, is competitive and encourages broad share ownership. The compensation strategy is weighted towards pay-for-performance components. The compensation components, performance objectives, and plan provisions are integrated into a comprehensive executive compensation program that is aligned with shareholders' interest, is competitive in attracting and retaining talent, and provides adequate compensation to motivate sustained performance of executives and support the achievement of corporate and individual objectives.

Compensation for Named Executive Officers ("NEOs") is comprised of three main components: base salary, annual incentive and long-term incentive. The Committee annually reviews the suitability of each component and adjusts the compensation offered to NEOs in line with the Company's compensation policy, taking into account the current business, economic and demographic environment, as well as the specific situation of the Company's executives. The Committee also reviews each component and desired market positioning and makes recommendations based on corporate and individual performance, taking into account leadership abilities, retention risk and succession plans.

The Company has an established process to determine compensation targets annually. Performance goals and conditions associated to each compensation component are carefully reviewed and endorsed by the Committee at the beginning of each year. In determining compensation targets, the Committee ensures that performance goals and conditions are directly aligned with the achievement of the Company's business objectives, as portrayed in the Company's business plan, reviewed and approved by the Board of Directors.

Benchmark Using Comparator Groups

Executive compensation is benchmarked using comparator groups, which have been carefully reviewed and endorsed by the Committee as being appropriate for the level and nature of the positions. In determining compensation, the Company considers the compensation practices of North American companies that are comparable in size and with whom the Company competes for executive talent. The primary comparator group for the NEOs is Class 1 Railroads and includes Union Pacific Railroad, Burlington Northern Santa Fe Corporation, CSX Corporation, Norfolk Southern Corporation and Canadian Pacific Railway.

In setting executive compensation, the Committee takes into account this primary group for benchmarking purposes. The Committee then goes beyond the analyses of compensation data for this group of direct comparables and draws upon database information on compensation trends and statistical distribution for a secondary reference group of U.S. industrial companies with revenues ranging from US$6 to $10 billion to determine whether its practices are generally in line with U.S. industrial companies. Towers Watson provides consolidated information extracted directly from its proprietary confidential database relating to all companies within such database which meet the parameters set out above. This information is used as a secondary reference by the Committee as part of its annual review of executive compensation, with advice from the Committee's independent compensation consultant, Hugessen.

For 2009, the Committee and the Board of Directors sought to position total direct compensation for the Company's executives at the first quartile (75th percentile) of the comparator groups, on the basis of aggressively-set goals, for positions with equivalent responsibilities and scope.

At the end of 2009, the Company revised its compensation policy for executives to position their total direct compensation between the 50th and 60th percentile when compared to their reference groups. This change is effective in 2010 and will be implemented over a two-year period.

Key Elements of NEO Compensation

The key elements of NEO compensation are base salary, annual incentive and long-term incentives, including performance-based restricted share units and stock options. The compensation of NEOs, other than the CEO, is recommended by the CEO and reviewed and approved by the Committee. The compensation of the CEO is recommended by the Committee and approved by the independent members of the Board of Directors. The Committee understands the implications of the key components of NEO compensation, including the effect that employment agreements may have on changing NEO compensation.

For a discussion on the compensation of the CEO, please see section "President and Chief Executive Officer Compensation" on page 38.

The following table summarizes the key components of NEO compensation, how they are benchmarked and how they fit in the above-mentioned executive compensation policy:

COMPONENT	DESCRIPTION	BENCHMARKING	OBJECTIVE & RATIONALE
Base Salary	• Fixed rate of pay, with annual review • Generally paid in U.S. dollars	• Salaries are benchmarked annually to the median (50th percentile) of the comparator group • Individual salary recommendations are based on competitive assessment, individual performance and retention considerations	• Provide competitive level of fixed compensation • Recognize sustained individual performance
Annual Incentive Bonus Plan	• Annual bonus payout to approximately 4,000 eligible management employees based on performance against pre-determined financial and other targets for the year • Payout linked to the achievement of corporate (70%) and personal (30%)	• Target payout is established to position total cash compensation (base salary + annual incentive target payout) between the 50th and 75th percentile of the comparator group(2)	• Reward the achievement of a balanced set of annual corporate financial objectives • Reward the achievement of personal objectives linked to financial and operating results, safety, customer service and leadership • Drive superior corporate and individual

	objectives • Target payout is 70% of base salary for Executive Vice-Presidents and 140% for the CEO(1) • Maximum payout is equal to twice the target payout		performance
Long-Term Incentive	• Combination of restricted share units and stock options of approximately equal value, except for the CEO who receives a different proportion due to limitations under the stock option plan Restricted Share Units • Performance-based share units, payable in cash after three years • Performance vesting subject to attainment of targets related to average return on invested capital over three years • Payout conditional upon minimum share price during the last three months of the plan period Stock Options • Ten-year term; 25% per year vesting over the first four years	• Awards are established to position total direct compensation (base salary + annual incentive target payout + long-term incentive award value) at approximately the 75th percentile of the comparator group(3)	• Align management interest with shareholder value growth and wealth protection • Reward the achievement of sustained financial performance • Provide retention of key talent • Recognize individual contribution and potential

	• Granted in the currency of the recipient's salary

(1) Effective January 1, 2010, the target payout for the CEO is 120% of base salary.
(2) Beginning in 2010, such target payouts will be established to position total cash compensation (base salary + annual incentive target payout) between the 50th and 60th percentile of the comparator group.
(3) Beginning in 2010, awards will be established to progressively position total direct compensation (base salary + annual incentive target payout + long-term incentive award value) between the 50th and 60th percentile of the comparator group.

Compensation of Named Executive Officers in 2009

BASE SALARY

Base salaries are established according to the criteria set forth herein and are benchmarked annually against median comparator group practice. The base salary of NEOs is generally paid in U.S. currency in order to provide for a meaningful and objective comparison with salaries of equivalent positions of the comparator group which are predominantly paid in U.S. currency. Base salaries are reviewed annually, taking into consideration individual performance, leadership abilities, retention risk and succession plans.

The salaries paid to NEOs during 2009 are reported in the Summary Compensation Table under the Salary column.

ANNUAL INCENTIVE BONUS PLAN

Approximately 4,000 management employees are eligible for a payout under the Company's Annual Incentive Bonus Plan ("AIBP"). Under the AIBP, payouts for planned results to be achieved ("Target Payouts") are set as a percentage of salary: 70% for Executive Vice-Presidents and 140% for the CEO.

For 2009, the AIBP was comprised of the following components:

1. Corporate financial performance: 70% of the bonus was linked to the achievement of a balanced set of goals that contribute to the Company's long-term financial growth and profitability. The corporate performance factor can range from 0% to 200% for NEOs and for approximately 175 other executives and senior management employees. For all other management employees, the performance factor can range from 0% to 150%. Corporate performance is measured against objectives set by the Board of Directors. In 2009, the Board of Directors assessed the Company's performance against established targets for revenues, operating income, diluted earnings per share, free cash flow and return on invested capital ("ROIC"), with each measure carrying an equal weight. These measures were selected because they are quantifiable components that play a key role in driving the organization's short- and long-term profitability and return for shareholders. The targets were approved by the Board of Directors in January 2009 based on the Company's economic outlook at that time.

The following table provides the 2009 objectives as approved by the Board of Directors in January 2009 and the 2009 results as reported by the Company.

PERFORMANCE OBJECTIVES AND RESULTS – 2009 ANNUAL INCENTIVE BONUS PLAN

IN MILLIONS (EXCEPT PER SHARE DATA)	CORPORATE OBJECTIVES(1) BASE (CAD$)	STRETCH (CAD$)	2009 RESULTS(2) (CAD$)	PERFORMANCE ASSESSMENT
Revenues	8,700	8,875	7,367	Does not meet
Operating Income	2,945	3,035	2,406	Does not meet
	$3.70	$3.85	$3.92	Exceeds

Diluted Earnings Per Share				
Free Cash Flow (3)	600	700	790	Exceeds
ROIC (4)	12.00%	12.40%	12.66%	Exceeds

(1) Objectives set assuming an exchange rate of US$1 = CAD$1.2121.
(2) Actual exchange rate was US$1 = CAD$1.1364.
(3) Free cash flow does not have any standardized meaning prescribed by GAAP and may, therefore, not be comparable to similar measures presented by other companies. The Company believes that free cash flow is a useful measure of performance as it demonstrates the Company's ability to generate cash after the payment of capital expenditures and dividends. The Company defines free cash flow as cash provided from operating activities, adjusted for changes in the accounts receivable securitization program and in cash and cash equivalents resulting from foreign exchange fluctuations, less cash used by investing activities, adjusted for the impact of major acquisitions, and the payment of dividends.
(4) ROIC measures the Company's efficiency in the use of its capital funds and is viewed as a key measure of long-term value generation to its shareholders. ROIC is generally calculated as net income before interest expense, divided by the total of the average net indebtedness and the average shareholders' equity, and may, in certain instances, be adjusted for certain items as determined by the Committee.

In January 2009, the objectives were set assuming an exchange rate of US$1 = CAD$1.2121. During the year, the actual exchange rate was US$1 = CAD$1.1364. Objectives that were set at the beginning of the year assuming a lower Canadian dollar were adjusted to reflect the actual exchange rate during 2009. The adjustment, which does not impact the 2009 results, provides a better representation of the actual performance against the targets. The following table provides the 2009 objectives, reflecting such adjustment, and the actual 2009 results as reported by the Company.

PERFORMANCE OBJECTIVES AND RESULTS – 2009
ANNUAL INCENTIVE BONUS PLAN – ADJUSTED TARGETS

IN MILLIONS (EXCEPT PER SHARE DATA)	CORPORATE OBJECTIVES BASE (CAD$)	STRETCH (CAD$)	2009 RESULTS(2) (CAD$)	PERFORMANCE ASSESSMENT
Revenues (1)	8,366	8,541	7,367	Does not meet
Operating Income (1)	2,792	2,882	2,406	Does not meet
Diluted Earnings Per Share (1)	$3.52	$3.67	$3.92	Exceeds
Free Cash Flow (1) (3)	550	650	790	Exceeds
ROIC (4)	12.00%	12.40%	12.66%	Exceeds

(1) Objectives adjusted to reflect the actual exchange rate of US$1 = CAD$1.1364 vs. CAD$1.2121 assumed when set in January 2009.

(2) Actual exchange rate was US$1 = CAD$1.1364.

(3) Free cash flow does not have any standardized meaning prescribed by GAAP and may, therefore, not be comparable to similar measures presented by other companies. The Company believes that free cash flow is a useful measure of performance as it demonstrates the Company's ability to generate cash after the payment of capital expenditures and dividends. The Company defines free cash flow as cash provided from operating activities, adjusted for changes in the accounts receivable securitization program and in cash and cash equivalents resulting from foreign exchange fluctuations, less cash used by investing activities, adjusted for the impact of major acquisitions, and the payment of dividends.

(4) ROIC measures the Company's efficiency in the use of its capital funds and is viewed as a key measure of long-term value generation to its shareholders. ROIC is generally calculated as net income before interest expense, divided by the total of the average net indebtedness and the average shareholders' equity, and may, in certain instances, be adjusted for certain items as determined by the Committee.

In 2009, revenues decreased due to lower freight volumes in almost all markets. Despite the economic conditions in the North American and global economies, the Company delivered on operational execution and control of costs. It also generated solid free cash flow and increased shareholder value through the monetization of under-utilized assets.

For 2009, after considering the financial results against established objectives, the Board of Directors assessed the corporate performance at "partially achieved", allowing for a corporate performance factor of 90%. The 90% factor is the sum of the results for all five measures. Each measure equally represents 20% of the plan at target and 30% at stretch. Operating Income and Revenues targets were missed for a 0% payout on both. Stretch results were achieved for the other three measures, thus totalling a 90% corporate performance factor. Under the terms of the AIBP, a maximum corporate performance factor of 150% (or 200% for NEOs) can be attained when stretch results are achieved on all five corporate objectives.

2. Individual performance: 30% of the bonus was based on the achievement of personal business-oriented goals linked to financial and operating results, safety, customer service and leadership. The individual performance factor can range from 0% to 200% for NEOs, and for approximately 175 other executives and senior management employees. For all other employees, the performance factor can range from 0% to 150%. The individual performance factor for

NEOs is based on individual assessments reviewed and recommended by the Committee and approved by the Board of Directors.

Any payout under the individual component is conditional upon a payout being declared under the corporate component. The annual incentive plan also provides that both the corporate and individual performance would be prorated at the same level should the Company's performance be assessed at "partially achieved". For 2009, as the Company's performance was assessed with a 90% factor, the individual performance for all employees, including the NEOs, was prorated at the same level.

In 2009, the individual objectives of NEOs included both quantitative financial measures and qualitative strategic and operational considerations related to their function. The financial goals set in the NEOs individual objectives did not differ from those included in the corporate targets, and the assessed performance for those goals was set at the same level. At year-end, the CEO reviewed the performance of the other NEOs, taking into consideration their achievements against their pre-determined personal objectives. The Committee reviewed and reflected on the totality of the executive's individual achievements against goals and determined the overall individual performance factor to be applied in the calculation of the bonus amount to be paid. In doing so, the overall personal contribution of each executive and the leadership demonstrated in reaching their objectives was also assessed. For the year 2009, taking into account the recommendation of the CEO, the Committee determined that the NEOs had partially exceeded their personal objectives and approved each of their individual performance factors. The average individual performance factor for the NEOs, other than the CEO, was 158%.

The resulting bonus payout is based on the annual salary on December 31, and the corporate and individual performance factors, calculated as follows:

In 2009, the average payout for the NEOs, other than the CEO, was 106% of Target Payout. The actual payouts are reported in the Summary Compensation Table, under the Non-equity incentive plan compensation – Annual incentive plans.

Pursuant to the terms of the AIBP, approximately 4,000 management employees received a bonus payout for the year 2009, resulting in an aggregate payout equivalent to 60% of the estimated maximum cost under the Annual Incentive Bonus Plan.

LONG-TERM INCENTIVE

The Board of Directors considers a number of factors to assess the Company's long-term incentive strategy. Factors considered include the balance between long-term value creation and shareholder wealth protection, executive stock ownership position versus stock option holdings, executive retention risk, as well as the tax implication and the dilution impact of the different long-term incentive vehicles. Since 2005, the Board of Directors has elected to grant a combination of stock options and restricted share units ("RSUs") of approximately equal value, to designated executive and senior management employees, except for the CEO. The long-term incentive award for the CEO combines stock options and RSUs with a smaller relative weight in stock option value because of the 20% limitation on the number of stock options that can be awarded to one individual pursuant to the terms of the Management Long-Term Incentive Plan – please refer to page 46 for a description of the plan.

The annual grant of RSUs and stock options to NEOs and other eligible employees is reviewed and approved at the meetings of the Committee and the Board of Directors which take place each year in January. The effective grant date is the first day open for trading under the Company's Insider Trading Policy, following the publication of the Company's financial results for the previous year. Based on this approach, the effective grant date is generally the second trading day following the public release of the Company's financial results. The exercise price of the stock options granted is set at the closing price of common shares on the Toronto Stock Exchange or the New York Stock Exchange on the grant date.

The Committee establishes the value of the long-term incentive awards on the basis of the expected value provided by the award at the time of the grant. The values are based on valuations prepared by Towers Watson, the Company's executive compensation consultant. The values are calculated under a modified binomial (lattice) valuation methodology used to value survey data considered by the Company in benchmarking executive compensation. The Towers Watson valuation inputs may differ from those used in determining the fair value, as calculated under U.S. Generally Accepted Accounting Principles resulting in differing long-term incentive values. In particular, the volatility assumption used in the compensation and accounting valuations differs significantly.

In determining the value of the award, the Committee takes into consideration individual performance, retention risk and succession plans, as well as the compensation practices and long-term incentive value granted over the last three years by the Class 1 Railroads described in the section "Benchmarking Using Comparator Groups". The Committee does not take into account previous executive grants when setting the individual awards.

The grant date fair value of the stock options awarded to NEOs in 2009 is included in the Summary Compensation Table, under the Option-based awards column.

During 2009, the five NEOs, other than the President and Chief Executive Officer, were awarded a total of 172,500 RSUs and 345,000 stock options, representing 20% and 28%, respectively, of the aggregate number of RSUs and stock options granted during the year.

RESTRICTED SHARE UNITS: 2009 AWARD

The Restricted Share Units Plan (the "RSU Plan") was approved by the Board of Directors in 2004. The objective of the RSU Plan is to enhance the Company's ability to attract and retain talented employees and to provide alignment of interests between such employees and the shareholders of the Company. The RSUs awarded are generally scheduled for payout after three years and vest upon the attainment of targets related to the Company's ROIC. ROIC measures the Company's efficiency in the use of its capital funds and is viewed as a key measure of long-term value generation to its shareholders. ROIC is generally calculated as net income before interest expense, divided by the total of the average net indebtedness and the average shareholders' equity, and may, in certain instances, be adjusted for certain items as determined by the Committee.

The RSUs granted in 2009 to NEOs and other designated employees are subject to the attainment of targets related to the Company's average ROIC during the three-year period ending on December 31, 2011. The payout is also conditional upon meeting a minimum average closing share price during the last three months of 2011. The payout will be made in the currency of the recipient's salary. The value of the payout will be equal to the number of RSUs awarded multiplied by the performance vesting factor and by the 20-day average closing share price ending on January 31, 2012. The performance objectives and payout condition of the 2009 RSU award are summarized in the following table:

PERFORMANCE OBJECTIVES – RESTRICTED SHARE UNITS – 2009 AWARD

	OBJECTIVE	PERFORMANCE VESTING FACTOR (1)
	Below 12%	0%
Performance Objective:	12%	50%
Average ROIC during the	13%	100%
three-year period ending	14%	125%
on December 31, 2011	15% and above	150%
Payout Condition:	CAD$42.95 on the TSX	
Minimum average closing share price	or	
for the last three months of 2011	US$34.87 on the NYSE	

(1) Interpolation applies between objectives.

The grant date fair value of the restricted share units awarded to NEOs in 2009 is included in the Summary Compensation Table, under the Share-based awards column.

RESTRICTED SHARE UNITS: 2007 AWARD PAYOUT

RSUs granted in 2007 were paid out to NEOs and other designated employees pursuant to the terms and conditions set out in the 2007 award agreements and in accordance with the RSU Plan. The RSUs awarded in 2007 vested when the specified target related to the average ROIC for the three-year period ending on December 31, 2009 was attained and slightly exceeded. In accordance with the RSU Plan rules, the ROIC performance resulted in a performance vesting factor of 103.5% of the units awarded. As the minimum average closing share price condition was achieved, payout under the plan occurred.

PERFORMANCE OBJECTIVES AND RESULTS – RESTRICTED SHARE UNITS – 2007 AWARD

	OBJECTIVE	PERFORMANCE VESTING FACTOR (1)	RESULTS
	Below 13.5%	0%	
Performance Objective:	13.5%	50%	
Average ROIC for the	14.5%	100%	14.64%
three-year period ending	15.5%	125%	
on December 31, 2009	16.5% and above	150%	
Payout Condition:			
Minimum average	CAD$52.08 on the TSX		CAD$55.47
closing share price	or		
for the last three	US$45.06 on the NYSE		US$52.50
months of 2009			

(1) Interpolation applies between objectives.

The value vested during the year for each NEO is included in the section Incentive Plan Awards – Value Vested or Earned During the Year, under the Share-based awards – Value vested during the year column.

STOCK OPTIONS

Stock options were granted in 2009 to NEOs and other designated employees pursuant to the Management Long-Term Incentive Plan (the "Plan"). Please refer to page 46 for details of the Plan. The stock options granted in 2009 were conventional and vest over four years at a rate of 25% at each anniversary date. Stock options have a term of ten years. Grants were made in the currency of the recipient's salary.

Stock options are granted with the objective of rewarding NEOs and other designated employees for creating sustainable, long-term shareholder value. If the share price increases between the grant date and the vesting date, stock options will have a realizable value and be “in-the-money”. Conversely, if the share price does not appreciate over this period, stock options will not have a realizable value. Consequently, stock options provide a realized payout value only when vested, when the share price increases above the grant price, and when the options are exercised.

EXECUTIVE PERQUISITES

NEOs are eligible to receive perquisites and other personal benefits in accordance with the Company’s policy. These typically include the use of a company-leased vehicle, financial counselling and tax services, club membership and certain health care and life insurance benefits exceeding those usually offered to salaried employees. The level of benefit is generally determined by the grade of the position, and may include a tax gross-up on the value of certain executive perquisites. In 2009, the Committee reviewed the type and level of perquisites offered to executives. The Committee believes that executive perquisites and other personal benefits provided to NEOs are appropriate and in line with general market practices, except for the tax gross-up, which was eliminated as of January 2010. In addition to these benefits, it was the Company’s policy until December 31, 2009 to require, for efficiency and security reasons, the CEO to use the Company’s aircraft for personal as well as for business use. It was also a condition of Mr. Harrison’