

CANADIAN NATIONAL RAILWAY CO
Form 6-K
March 22, 2013

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, 2013

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

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

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

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

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, 2013

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

THE FAIRMONT HOTEL MACDONALD
EMPIRE BALLROOM
10065 100TH STREET
EDMONTON, ALBERTA, CANADA

on Tuesday, April 23, 2013, at 9:30 a.m. (Mountain Daylight Time) for the purposes of:

1. receiving the consolidated financial statements for the year ended December 31, 2012, and the auditors' reports thereon;
2. electing the directors;
3. appointing the auditors;
4. considering and approving, in an advisory, non-binding capacity, a resolution (the full text of which is set out on page 6 of the accompanying management information circular) accepting the Company's approach to executive compensation as disclosed in the Statement of Executive Compensation section of the accompanying management information circular; and
5. transacting such other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

The directors have fixed March 6, 2013 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
Sean Finn
EXECUTIVE VICE-PRESIDENT
CORPORATE SERVICES AND CHIEF LEGAL OFFICER
AND CORPORATE SECRETARY

March 12, 2013
Montréal, Quebec

Item 2

MANAGEMENT
INFORMATION CIRCULAR
AND NOTICE OF ANNUAL
MEETING OF
SHAREHOLDERS

APRIL 23, 2013

March 12, 2013

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 the Fairmont Hotel Macdonald, Empire Ballroom, 10065 100th Street, Edmonton, Alberta (Canada), on Tuesday, April 23, 2013, at 9:30 a.m. (Mountain 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 2012 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) David G.A. McLean

(Signed) Claude Mongeau

David G.A. McLean
CHAIRMAN OF THE BOARD

Claude Mongeau
PRESIDENT AND CHIEF EXECUTIVE OFFICER

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 on Tuesday, April 23, 2013, at 9:30 a.m. (Mountain Daylight Time) for the purposes set forth in the foregoing Notice of Meeting. The information contained herein is given as at February 28, 2013, 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 22, 2013, 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.

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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 6, 2013 (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 28, 2013, the Company had outstanding 426,387,589 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, the only person who beneficially owns, or exercises control or direction over, directly or indirectly, shares carrying 10% or more of the voting rights attached to any class of shares of the Company is Mr. William H. Gates, III. Mr. Gates is the sole member of Cascade Investment, L.L.C. (“Cascade”). Cascade held 43,162,437 common shares of the Company as of February 28, 2013, representing 10.12% of the outstanding common shares of the Company. In addition, Mr. Gates is a co-trustee of the Bill & Melinda Gates Foundation Trust, which held 8,563,437 common shares of the Company as of February 28, 2013, representing 2.01% of the outstanding common shares of the Company. Hence, as of February 28, 2013, Mr. Gates is deemed to have control or direction over 51,725,874 common shares, representing 12.13% of the outstanding common shares of the Company.

WHAT WILL I BE VOTING ON?

Shareholders will be voting (i) to elect directors of the Company, (ii) to appoint KPMG LLP as auditors of the Company, and (iii) in an advisory, non-binding capacity, on the approach to executive compensation disclosed in the Statement of Executive Compensation section of this Information Circular. Our Board of Directors and our Management are recommending that shareholders vote FOR items (i), (ii) and (iii).

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 and will pay for the services of Georgeson Shareholder Communications Canada Inc., for the solicitation of proxies in Canada and the United States, at an aggregate cost estimated to be C\$30,000 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 Georgeson Shareholder Communications Canada Inc., the Company’s proxy solicitation agent, toll-free at 1-866-656-4118 or by e-mail at askus@georgeson.com.

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, 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.

CN MANAGEMENT INFORMATION CIRCULAR

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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 by phone or 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 22, 2013, 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 as follows:

FOR the election of Management's nominees as directors,

FOR the appointment of KPMG LLP as auditors,

FOR, in an advisory, non-binding capacity, the approach to executive compensation disclosed in the Statement of Executive Compensation section of this Information Circular,

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.

CN MANAGEMENT INFORMATION CIRCULAR

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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, 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.

Non registered shareholders are either “objecting beneficial owners” or “OBOs” who object that intermediaries disclose information about their ownership in the Company, or “non-objecting beneficial owners” or “NOBOs”, who do not object such disclosure. The Company pays intermediaries to send proxy-related materials to OBOs and NOBOs.

HOW DO I VOTE IF I OWN EMPLOYEE SHARES?

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. If you wish to vote Employee Shares in person at the Meeting, refer to

paragraph 2 of the section entitled “How do I vote if I am a non-registered shareholder?”

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.

CN MANAGEMENT INFORMATION CIRCULAR

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BUSINESS OF THE MEETING

FINANCIAL STATEMENTS

Our consolidated financial statements for the year ended December 31, 2012, together with the auditors' reports thereon, are included in the 2012 Annual Report of the Company, available on our website at www.cn.ca, on SEDAR at www.sedar.com, in the Company's annual report on Form 40-F available on EDGAR at www.sec.gov, and in print, free of charge, to any shareholder who requests copies by contacting our Corporate Secretary at (514) 399-7091 or Investor Relations at (514) 399-0052.

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, 13 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. All of the nominees proposed for election as directors are currently directors of the Company. All persons nominated were recommended to the Board of Directors by the Corporate Governance and Nominating Committee. 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 and have confirmed their willingness to serve as directors. 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.

ADVISORY VOTE ON EXECUTIVE COMPENSATION

Similarly to last year, the Company is again providing its shareholders with an annual opportunity to cast at its annual meeting an advisory vote on the Company's approach to executive compensation, as disclosed in the Statement of Executive Compensation section of this Information Circular. Such section describes the role of the Human Resources and Compensation Committee in overseeing compensation of executives and ensuring that it is linked to the Company's three-year business plan. The section also describes the Company's executive compensation principles, the structure of the compensation plans for executives, and the alignment of such plans with the interests of our shareholders.

The Board of Directors recommends that shareholders vote FOR the resolution set out below and, unless otherwise

instructed, the persons designated in the form of proxy intend to vote FOR the following resolution:

“RESOLVED that, on an advisory basis and not to diminish the role and responsibilities of the Board of Directors, the shareholders accept the approach to executive compensation disclosed in the section entitled “Statement of Executive Compensation” of the Information Circular of the Company dated March 12, 2013.”

The Board of Directors has adopted a policy to the effect that, if a majority of the shares represented in person or by proxy at the meeting are voted against the above non-binding advisory resolution, the Board Chair or the Chair of the Human Resources and Compensation Committee will oversee a process to engage with shareholders with a view to giving shareholders the opportunity to express their specific concerns. The Board of Directors and the Human Resources and Compensation Committee will consider the results of this process and, if appropriate, review the Company’s approach to executive compensation in the context of shareholders’ specific concerns.

NOMINEES FOR ELECTION TO THE BOARD**DESCRIPTION OF NOMINEES**

The following tables set out information as of February 28, 2013, unless otherwise indicated, regarding the nominees for election as directors. All nominees are current directors of the Company.

**MICHAEL R. ARMELLINO,
CFA**

Age: 73 (1)
Long Beach Island, New
Jersey, U.S.A.
Director since: May 7, 1996
Independent

Mr. Armellino, a chartered financial analyst, is a Retired Partner from 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. Mr. Armellino is also a director of Armanta Corp., a private computer software company.

Mr. Armellino holds a B.S. in Economics from the Wharton School (University of Pennsylvania) and an MBA in finance from the Stern School of Business (New York University), New York.

SECURITIES HELD**COMMON SHARES OWNED OR
CONTROLLED (2)**

Value at Risk	C\$12,322,710 (3)
February 2013	117,826
February 2012	115,965

MEMBER OF	ATTENDANCE	OTHER PUBLIC BOARDS DURING PAST 5 YEARS
Board	100%	N/A
Corporate Governance & Nominating Committee (Chair) (8)	100%	
Environment, Safety & Security Committee	100%	
Finance Committee	100%	
Human Resources & Compensation Committee	100%	

Investment Committee of CN's Pension Trust Funds (5) 100%
 Strategic Planning Committee 100%

**A. CHARLES BAILLIE,
 O.C., LL.D.**
 Age: 73 (1)
 Toronto, Ontario, Canada
 Director since: April 15,
 2003
 Independent

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 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 Honorary Chair of the Art Gallery of Ontario. He is president of Authors at Harbourfront and on the national board of directors of the Royal Conservatory of Music and Luminato and on the Advisory Council of Canada's History Society. He was appointed an Officer of the Order of Canada in 2006 and inducted into the Canadian Business Hall of Fame in 2008. Mr. Baillie holds an Honorary Doctorate from Queen's University, and is a Fellow of the Institute of Canadian Bankers and of the Royal Conservatory of Music.

Mr. Baillie holds an Honours B.A. in Political Science and Economics from the University of Toronto and an MBA from Harvard Business School.

SECURITIES HELD

COMMON SHARES OWNED OR CONTROLLED (2)

Value at Risk	C\$16,610,484 (3)
February 2013	158,709 (6)
February 2012	155,443 (7)

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)
Corporate Governance & Nominating Committee	100%	Dana Corporation	(1998-2008)
Human Resources and Compensation Committee	100%		
Investment Committee of CN's Pension Trust Funds (5)	100%		

Strategic Planning Committee

100%

CN MANAGEMENT INFORMATION CIRCULAR

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HUGH J. BOLTON, FCA
 Age: 74 (1)
 Edmonton, Alberta, Canada
 Director since: April 15,
 2003
 Independent

Mr. Bolton is the chairman of the board of directors of EPCOR Utilities Inc. (energy and energy-related services provider, not publicly traded). From 2001 to 2010 he also served as chair of Matrikon Inc.

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 was inducted as a fellow of the Institute of Corporate Directors in 2006 and is a recipient of the Lifetime Achievement Award from the Institute of Chartered Accountants of Alberta. He has previously served as a member of the Board of Governors of Junior Achievement of Canada and the Canadian Tax Foundation.

Mr. Bolton is a Chartered Accountant and holds a B.A. in economics from the University of Alberta.

SECURITIES HELD

COMMON SHARES OWNED OR CONTROLLED (2)

Value at Risk	C\$5,205,474 (3)
February 2013	49,737 (6)
February 2012	47,833 (7)

MEMBER OF	ATTENDANCE	OTHER PUBLIC BOARDS DURING PAST 5 YEARS	
Board	100%	Capital Power Corporation	(2009-present)
Strategic Planning Committee (Chair) (9)	100%	WestJet Airlines Ltd.	(2005-present)
Audit Committee	100%	TD Bank Financial Group	(2003-present)
Environment Safety & Security Committee	100%	Teck Resources Limited	(2001-present)
Human Resources and Compensation Committee	100%	Matrikon Inc.	(2001-2010)
Investment Committee of CN's Pension Trust Funds (5)	100%		

**DONALD J. CARTY, O.C.,
 LL.D.**
 Age: 66 (1)

Mr. Carty retired as Chairman and CEO of AMR Corporation and American Airlines in 2003 after 30 years in the airline business where he previously served as

Dallas, Texas, U.S.A.
 Director since: January 1,
 2011
 Independent

President and Executive Vice President of Finance & Planning of AMR Airline Group and American Airlines. He was President and CEO of CP Air from 1985 to 1987. Mr. Carty also served as Vice Chairman and Chief Financial Officer of Dell, Inc. from 2007 to 2008.

In the voluntary sector, Mr. Carty is on the Executive Board of the SMU Cox School of Business. He is a former Chairman of Big Brothers Big Sisters of America. In 1999, Board Alert named Mr. Carty one of the year's Outstanding Directors. He was named an Officer of the Order of Canada in 2003.

Mr. Carty is lead director of Barrick Gold Corporation and also serves on the boards of Dell, Inc., Gluskin Sheff & Associates Inc. and Talisman Energy Inc. He is Chairman of Virgin America Airlines Inc. and Porter Airlines, Inc.

Mr. Carty holds a B.A. and an Honorary Doctor of Laws from Queen's University and a MBA from the Harvard Business School.

SECURITIES HELD

COMMON SHARES OWNED OR CONTROLLED (2)

Value at Risk	C\$1,812,126 (3)
February 2013	17,327 (6)
February 2012	5,073 (7)

MEMBER OF	ATTENDANCE	OTHER PUBLIC BOARDS DURING PAST 5 YEARS	
Board	100%	Talisman Energy Inc.	(2009-present)
Audit Committee	100%	Barrick Gold Corporation	(2006-present)
Corporate Governance and Nominating Committee	100%	Gluskin Sheff & Associates	(2006-present)
Finance Committee	100%	Dell, Inc.	(1992-present)
Strategic Planning Committee	100%	Hawaiian Holdings, Inc.	(2004-2011)

**AMBASSADOR
GORDON D. GIFFIN**
Age: 63 (1)
Atlanta, Georgia, U.S.A.
Director since: May 1, 2001
Independent

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 1997 to 2001.

Mr. Giffin is a member of the Board of Trustees of the Jimmy Carter Presidential Center and the board of directors of the Canada-US Fulbright Program.

Mr. Giffin serves on the Board of Counsellors of McLarty Global. He is chairman of the board of Friends of the National Arts Centre.

Mr. Giffin is also chair of the board of TransAlta Corporation and a director of the Canadian Imperial Bank of Commerce, Canadian Natural Resources Limited and Just Energy Group Inc.

Mr. Giffin holds a B.A. from Duke University and a J.D. from Emory University School of Law in Atlanta, Georgia.

SECURITIES HELD

COMMON SHARES OWNED OR CONTROLLED (2)

Value at Risk	C\$4,169,135 (3)
February 2013	39,864 (6)
February 2012	47,634 (7)

MEMBER OF	ATTENDANCE	OTHER PUBLIC BOARDS DURING PAST 5 YEARS	
Board	100%	Just Energy Group Inc.	(2006-present)
Donations and Sponsorships Committee (5)	100%	Canadian Natural Resources Limited	(2002-present)
Environment, Safety and Security Committee	100%	TransAlta Corporation	(2002-present)
Finance Committee	100%	Canadian Imperial Bank of Commerce	(2001-present)
Investment Committee of CN's Pension Trust Funds (5)	100%	AbitibiBowater Inc.	(2003-2009)
Strategic Planning Committee	100%		

EDITH E. HOLIDAY

Age: 61 (1)
 Palm Beach County,
 Florida, 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 former 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 holds a B.S. and a J.D. from the University of Florida, and she is admitted to the bars of the states of Florida, Georgia and the District of Columbia.

SECURITIES HELD**COMMON SHARES OWNED OR CONTROLLED (2)**

Value at Risk	C\$4,954,665 (3)
February 2013	47,375 (6)
February 2012	45,350 (7)

MEMBER OF	ATTENDANCE	OTHER PUBLIC BOARDS DURING PAST 5 YEARS	
Board	100%	White Mountains Insurance Group, (2004-present) Ltd.	
Corporate Governance and Nominating Committee	100%	RTI International Metals, Inc.	(1999-present)
Finance 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 (5)	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.
Age: 64 (1)
Lauderdale-by-the-Sea,
Florida, U.S.A.
Director since: March 29,
1995
Independent

Mrs. Kempston Darkes is the retired Group Vice-President and President Latin America, Africa and Middle East, General Motors Corporation. In 2009 she ended a 35-year career at GM during which she attained the highest operating post ever held 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 and amongst the top 100 most powerful women in Canada in 2012. In 2006, she was the recipient of the Governor General of Canada's Persons Award and was inducted as a fellow of the Institute of Corporate Directors in 2011. She is also a director of the Bridgepoint Health Foundation.

Mrs. Kempston Darkes is also a director of Brookfield Asset Management Inc., Irving Oil Co. Ltd., Enbridge Inc. and Balfour Beatty Plc.

Mrs. Kempston Darkes holds a B.A. in history and political science from Victoria University in the University of Toronto and an LL.B. Law Degree from the University of Toronto Faculty of Law.

SECURITIES HELD

COMMON SHARES OWNED OR CONTROLLED (2)

Value at Risk	C\$8,998,144 (3)
February 2013	85,975 (6)
February 2012	83,671 (7)

MEMBER OF	ATTENDANCE	OTHER PUBLIC BOARDS DURING PAST 5 YEARS	
Board	100%	Balfour Beatty Plc.	(2012-present)
Environment, Safety and Security Committee (Chair)	100%	Enbridge Inc.	(2010-present)
Audit Committee	100%	Brookfield Asset Management Inc.	(2008-present)
Human Resources and Compensation Committee	100%	Thomson Corporation	(1996-2008)
Investment Committee of CN's Pension Trust Funds (5)	100%		
Strategic Planning Committee	100%		

**THE HON. DENIS
LOSIER, P.C., LL.D., C.M.**
Age: 60 (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 Economic Development and Tourism.

Mr. Losier 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 Canadian Blood Services, Enbridge Gas New Brunswick and Plazacorp Retail Properties Ltd. He also chairs the board of directors of Invest N.B. Mr. Losier was appointed a Member of the Order of Canada in 2011.

Mr. Losier holds a Bachelor of Economics from the University of Moncton and a Masters of Economics from the University of Western Ontario. Mr. Losier was awarded an Honorary Doctorate Degree in Business Administration from the University of Moncton.

SECURITIES HELD

COMMON SHARES OWNED OR CONTROLLED (2)

Value at Risk	C\$14,534,448 (3)
February 2013	138,873 (6)
February 2012	134,649 (7)

MEMBER OF	ATTENDANCE	OTHER PUBLIC BOARDS DURING PAST 5 YEARS
Board	100%	Plazacorp Retail Properties Ltd. (2007-present)
Audit Committee (Chair)	100%	NAV CANADA (2004-2013)
Donations and Sponsorships Committee (5)	100%	
Environment, Safety and Security Committee	100%	
Human Resources and Compensation Committee	100%	
Strategic Planning Committee	100%	

THE HON. EDWARD C. LUMLEY, P.C., LL.D.
 Age: 73 (1)
 South Lancaster, Ontario, Canada
 Director since: July 4, 1996
 Independent

Mr. Lumley has been Vice-Chairman of BMO Capital Markets (investment bank) and its predecessor companies since 1991. From 1986 to 1991, he served as chair of Noranda Manufacturing Group Inc.

Following a successful entrepreneurial career, Mr. Lumley was elected a Member of Parliament for Stormont-Dundas from 1974 to 1984, during which time he held various cabinet portfolios in the Government of Canada such as Industry, International Trade, Regional Economic Development, Communication and Science & Technology. During this period, he was responsible to Parliament for numerous Crown Corporations, Boards and Commissions. Mr. Lumley is Chancellor of the University of Windsor and a director of Bell Canada Enterprises and also a member of the Advisory Board of Mercedes Benz Canada.

Mr. Lumley graduated with a Bachelor of Commerce from the University of Windsor.

SECURITIES HELD

COMMON SHARES OWNED OR CONTROLLED (2)

Value at Risk	C\$10,774,852 (3)
February 2013	102,951 (6)
February 2012	100,356 (7)

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) (5)	100%	Dollar Thrifty Automotive Group, Inc. (1997-2012)
Corporate Governance and Nominating Committee	100%	Magna International Inc. (1989-2008)
Finance Committee	100%	
Human Resources and Compensation Committee	100%	
Strategic Planning Committee	100%	

DAVID G.A. McLEAN, O.B.C., LL.D.
 Age: 74 (1)
 Vancouver, British Columbia, Canada

Mr. McLean is Board Chair of the Company and chair of The McLean Group (real estate investment, film and television facilities, communications and aircraft charters).

Director since: August 31,
1994
Independent

He is a trustee of Wetlands America Trust, Inc., the U.S. foundation of Ducks Unlimited. He is on the advisory board of the Institute of Canadian Studies at the University of California at Berkeley 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. He has recently been appointed vice-chair of the UBC/Vancouver Hospital Foundation.

Mr. McLean was inducted as a fellow of the Institute of Corporate Directors of Canada in 2006 and was appointed to the Order of British Columbia in 1999. He has been awarded an honorary degree from the following four institutions: the University of British Columbia, the University of Alberta, Simon Fraser University and Royal Roads University.

Mr. McLean holds a Bachelor of Arts and a Bachelor of Law from the University of Alberta.

SECURITIES HELD

COMMON SHARES OWNED OR CONTROLLED (2)

Value at Risk	C\$20,649,313 (3)
February 2013	197,299 (6)
February 2012	196,137 (7)

MEMBER OF ATTENDANCE OTHER PUBLIC BOARDS DURING PAST 5 YEARS

Board (Chair)	100%	N/A
Corporate Governance and Nominating Committee	100%	
Donations and Sponsorships Committee (5)	100%	
Finance Committee	100%	
Human Resources and Compensation Committee	100%	
Investment Committee of CN's Pension Trust Funds(5)	100%	
Strategic Planning Committee	100%	

CLAUDE MONGEAU
 Age: 51 (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 is also a director of SNC-Lavalin Group Inc.

Mr. Mongeau holds an MBA from McGill University, Montréal.

SECURITIES HELD

COMMON
 SHARES
 OWNED
 OR
 CONTROLLED
 (2)

OPTIONS
 HELD (4)

Value at Risk	C\$24,131,666 (3)		
February 2013	230,572	February 2013	779,000
February 2012	225,782	February 2012	1,008,000

MEMBER OF ATTENDANCE OTHER PUBLIC BOARDS DURING PAST 5 YEARS

Board	100%	SNC-Lavalin Group Inc.	(2003-present)
Donations and Sponsorships Committee (Chair) (5)	100%	Nortel Networks	(2006-2009)
Strategic Planning Committee	100%		

JAMES E. O'CONNOR
 Age: 63 (1)
 Fort Lauderdale, Florida,
 U.S.A.
 Director since: April 27,
 2011

Mr. O'Connor is the retired chair of the board of directors of Republic Services, Inc., a leading provider of non-hazardous solid waste collection, recycling and disposal services in the United States. From 1998 to 2011, Mr. O'Connor was chair and Chief Executive Officer of Republic Services, Inc. Prior to 1998, he had held various

Independent

management positions at Waste Management, Inc.

In 2001, Mr. O'Connor was the recipient of the Ellis Island Medal of Honor from the National Ethnic Coalition of Organizations (NECO) which rewards Americans who exemplify outstanding qualities in both their personal and professional lives, while continuing to preserve the richness of their particular heritage. He was named to the list of America's Best CEOs each year, between 2005 and 2010. In 2011, Mr. O'Connor was named to the Institutional Investors' All American Executive Team. He is also active in many community causes, especially those that benefit children. Mr. O'Connor has served on the board of directors of the SOS Children's Village. He also currently serves on the board of directors of the South Florida P.G.A. of America and Clean Energy Fuels Corp.

Mr. O'Connor holds a Bachelor of Science in Commerce (concentration in accounting) from DePaul University, Chicago.

SECURITIES HELD**COMMON SHARES OWNED OR CONTROLLED (2)**

Value at Risk	C\$806,238 (3)
February 2013	7,709
February 2012	5,849

MEMBER OF	ATTENDANCE	OTHER PUBLIC BOARDS DURING PAST 5 YEARS	
Board	92%	Clean Energy Fuels Corp.	(2011-present)
Audit Committee	100%	Republic Services, Inc.	(1998-2011)
Environment, Safety & Security Committee	100%		
Finance Committee	100%		
Strategic Planning Committee	100%		

**ROBERT PACE., D.
COMM.**
Age: 58 (1)
Glen Margaret, 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.

Mr. Pace is a director of High Liner Foods Incorporated and Hydro One Inc. He is also chairman of the Walter Gordon Foundation and former director of the Asia Pacific Foundation and the Atlantic Salmon Federation.

Mr. Pace holds an MBA and an LL.B from Dalhousie University in Halifax, Nova Scotia.

SECURITIES HELD

COMMON SHARES OWNED OR CONTROLLED (2)

Value at Risk	C\$14,869,256 (3)
February 2013	142,072 (6)
February 2012	139,405 (7)

MEMBER OF	ATTENDANCE	OTHER PUBLIC BOARDS DURING PAST 5 YEARS	
Board	100%	Hydro One Inc.	(2007-present)
Human Resources and Compensation Committee (Chair)	100%	High Liner Foods Incorporated	(1998-present)
Audit Committee	100%	Overland Realty Limited	(2006-2010)
Corporate Governance and Nominating Committee	100%		
Investment Committee of CN's Pension Trust Funds (5)	100%		
Strategic Planning Committee	100%		

- (1) The age of the directors is provided as at April 23, 2013, the date of the Meeting.
- (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 ("DRSUs") 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 the Deferred Compensation Plans section of this Information Circular.

- (3) The Value at Risk represents the total value of common shares and DRSUs (or DSUs for Mr. Mongeau) which total value is based on the February 28, 2013 closing price of the common shares on the Toronto Stock Exchange (C\$104.66) or the New York Stock Exchange (US\$101.40) for Michael R. Armellino, Donald J. Carty, Ambassador Gordon D. Giffin, Edith E. Holiday and James E. O'Connor using the closing exchange rate (US\$1 = C\$1.0314) on the same date.
- (4) The information regarding options comprises the options granted to Mr. Mongeau under the Management Long-Term Incentive Plan. For further details on the plan, please see "Statement of Executive Compensation—Management Long-Term Incentive Plan".
- (5) The Donations and Sponsorships Committee and the Investment Committee of CN's Pension Trust Funds are mixed committees composed of both members of the Board of Directors as well as officers of the Company.
- (6) Includes DRSUs as at February 28, 2013, in the following amounts: A. Charles Baillie: 56,609; Hugh J. Bolton: 44,711; Donald J. Carty: 7,327; Ambassador Gordon D. Giffin: 20,950; Edith E. Holiday: 11,517; V. Maureen Kempston Darkes: 25,280; The Hon. Denis Losier: 47,528; The Hon. Edward C. Lumley: 42,891; David G.A. McLean: 87,780; and Robert Pace: 47,831. Pursuant to the terms of the DRSUs, directors or their estates can only access their DRSUs upon retirement, resignation or death.
- (7) Includes DRSUs as at February 29, 2012 in the following amounts: A. Charles Baillie: 53,343; Hugh J. Bolton: 43,935; Donald J. Carty: 5,073; Ambassador Gordon D. Giffin: 20,586; Edith E. Holiday: 9,492; V. Maureen Kempston Darkes: 24,841; The Hon. Denis Losier: 44,878; The Hon. Edward C. Lumley: 42,146; David G.A. McLean: 86,257; and Robert Pace: 47,001. Pursuant to the terms of the DRSUs, directors or their estates can only access their DRSUs upon retirement, resignation or death.
- (8) Michael R. Armellino became Chair of the Corporate Governance and Nominating Committee on April 24, 2012.
 - (9) Hugh J. Bolton became Chair of the Strategic Planning Committee on April 24, 2012.

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 66% of the total annual remuneration of the non-executive directors for 2012 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 grant retainer 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.

CN’s compensation program is designed to attract and retain the most qualified people to serve on CN’s Board and Board 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, six of the non-executive director nominees are United States residents and the compensation of the non-executive directors of the Company tends to be comparable to that of large U.S.-based companies.

After a review of best practices and director compensation trends, including those of other Class I Railroads, it was decided that beginning in 2011, the annual share grant portion of the Director and Board Chair retainers would no longer be comprised of a fixed number of shares and would be replaced with a common share grant valued at US\$175,000 for directors, and a common share grant valued at US\$350,000 for the Board Chair. This approach provides greater consistency in total director compensation while keeping the alignment with shareholders’ interest. The change resulted in a year-over-year reduction of 21% in average total compensation for CN directors and 36% for the Board Chair when comparing 2011 to 2010 compensation. Committee member and Committee Chair retainers remained unchanged at US\$3,500 for Committee Members and US\$15,000 for Committee Chairs, except for the Chairs of the Audit and the Human Resources and Compensation Committees who received a Committee Chair retainer of US\$25,000 for acting as Chair and members of such Committees. Committee Chairs no longer received a separate committee member retainer for the Committees they chair. Moreover, the Board Chair received no additional Director retainer, nor Committee Chair or Committee Member retainers. All other aspects of director compensation remain unchanged from prior years: Directors receive a cash retainer amount of US\$15,000 and US\$120,000 for the Board Chair. Directors and the Board Chair also received Board Meeting, Committee Meeting and Travel Attendance fees of US\$1,500.

The compensation structure and level for CN’s directors was recommended by the Corporate Governance and Nominating Committee and approved by the Board in 2012, and is reviewed annually. In consideration for serving on the Board of Directors in 2012, CN’s directors were compensated as indicated in the table below:

TYPE OF FEE	AMOUNT
Board Chair Cash Retainer(1)	US\$120,000 (2)
Board Chair Share Grant Retainer	US\$350,000 (2)
Director Cash Retainer(3)	US\$15,000 (2)
Director Share Grant Retainer	US\$175,000 (2)
Committee Chair Retainers	
Audit and Human Resources	
and Compensation Committees	US\$25,000 (2)
Other Committees	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 (including Board Chair) may choose to receive all or part of their cash retainer in common shares or DRSUs and their common share grant retainer can also be received in DRSUs. The common shares are purchased on the open market.
- (3)Mr. Mongeau does not receive any compensation for serving as director of the Company. Mr. Mongeau's compensation for serving as CEO of the Company is described in detail in the Statement of Executive Compensation Section.

The table below reflects in detail the compensation earned by non-executive directors in the 12-month period ended December 31, 2012.

NAME OF DIRECTOR	FEES EARNED				SHARE-BASED AWARD (C\$)
	DIRECTOR AND BOARD CHAIR RETAINER (C\$)(1)	COMMITTEE CHAIR RETAINER (C\$)(1)	COMMITTEE MEMBER RETAINER (C\$)(1)	BOARD AND COMMITTEE ATTENDANCE AND TRAVEL FEES(1)(2) (C\$)	
Michael R. Armellino	14,994	14,994	16,326	67,471	175,298
A. Charles Baillie	15,026	15,026	14,024	61,474	175,298
Hugh J. Bolton	14,994	9,996	15,160	61,474	175,298
Donald J. Carty	14,994	–	13,994	55,476	175,298
Ambassador Gordon D. Giffin	14,994	–	13,994	59,974	175,298
Edith E. Holiday	14,994	–	17,493	61,474	175,298
V. Maureen Kempston Darkes	14,994	14,994	13,994	61,474	175,298
The Hon. Denis Losier	14,994	24,990	10,496	61,474	175,298
The Hon. Edward C. Lumley	14,994	14,994	13,994	61,474	175,298
David G.A. McLean	119,950	–	–	67,471	350,595
James E. O'Connor	14,994	–	13,994	55,476	175,298
Robert Pace	15,026	25,043	14,024	61,474	175,298
TOTAL	284,948	120,037	157,493	736,186	2,278,873

(1)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 2012 (US\$1 = C\$0.9996). 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 (US\$1 = C\$1.0017), on the purchase day (January 26, 2012). In addition to the common shares or DRSUs received by the directors and the Board Chair as described in note (3) 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 (C\$44,076). The amount of cash retainers elected to be received in common shares or DRSUs is included in these columns.

- (2) Includes travel fees which amounted to a total of C\$139,441, in aggregate, for all directors.
- (3) Represents a common share grant valued at US\$175,000 received by each non-executive director as part of the Director Retainer, and US\$350,000 for the Board Chair as part of the Board Chair Retainer.
- (4) Such values represent committee attendance fees received in cash for attendance to meetings of board committees of which they were not members. Such values were converted to Canadian dollars using the average rate of exchange of the Bank of Canada for 2012 (US\$1 = C\$0.9996).
- (5) Includes the value for 2012 of insurance premiums for accidental death and dismemberment insurance as well as 2012 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 C\$2,146.
- (6) 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 (1) above and the value provided under the share-based awards column, by the value provided under the total column.

OUTSTANDING SHARE-BASED AWARDS

The table below reflects all awards outstanding as at December 31, 2012 with respect to non-executive directors.

NAME OF DIRECTOR	SHARE-BASED AWARDS(1)	
	NUMBER OF SHARES OR UNITS OF SHARES THAT HAVE NOT VESTED (#)	MARKET OR PAYOUT VALUE OF SHARE-BASED AWARDS THAT HAVE NOT VESTED(2) (C\$)
Michael R. Armellino	—	—
A. Charles Baillie	54,286	4,903,654
Hugh J. Bolton	44,711	4,038,745
Donald J. Carty	5,163	467,488
Ambassador Gordon D. Giffin	20,950	1,896,936
Edith E. Holiday	9,660	874,673
V. Maureen Kempston Darkes	25,280	2,283,542
The Hon. Denis Losier	45,671	4,125,461
The Hon. Edward C. Lumley	42,891	3,874,344
David G.A. McLean	87,780	7,929,167
James E. O'Connor	—	—
Robert Pace	47,831	4,320,574

(1)Shows information regarding DRSUs held by non-executive directors as of December 31, 2012. 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 DRSUs, directors or their estates can only access their DRSUs upon retirement or resignation from the Company's Board, or death.

(2)The value of outstanding DRSUs is based on the closing price of the common shares on December 31, 2012, on the Toronto Stock Exchange (C\$90.33) or the New York Stock Exchange (US\$91.01) for Donald J. Carty, Ambassador Gordon D. Giffin and Edith E. Holiday, using the December 31, 2012 closing exchange rate (US\$1 = C\$0.9949).

SHARE OWNERSHIP

The Board has adopted a guideline stating that each non-executive director should own, within five 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) C\$500,000, or (ii) three 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. The aforementioned target was increased from C\$250,000 to C\$500,000 on March 8, 2011.

Each non-executive director is required to receive at least 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 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 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 C\$9.6M (based on the February 28, 2013, closing price of the common shares of the Company on the Toronto Stock Exchange (C\$104.66), or the New York Stock Exchange (US\$101.40) for U.S. directors).

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The following table provides information on the number and the value of common shares and DRSUs owned by the Company's current directors as at February 28, 2013, and the amount needed to meet the Minimum Shareholding Requirement.

DIRECTOR	YEAR(1)	NUMBER OF COMMON SHARES OWNED, CONTROLLED OR DIRECTED		TOTAL NUMBER OF COMMON SHARES OWNED, OR INVESTMENT CONTROLLED OR DIRECTED AND DRSUs (C\$)	TOTAL NUMBER OF COMMON SHARES OWNED, OR INVESTMENT CONTROLLED OR DIRECTED AND DRSUs (C\$)	TOTAL VALUE AT YEAR-END (VALUE AT)
		NUMBER OF DRSUs HELD(2)	NUMBER OF DRSUs HELD(2)			
Michael R. Armellino	2013	117,826	–	117,826		
	2012	115,965	–	115,965		12,322,710
	Variation	1,861	–	1,861		
A. Charles Baillie	2013	102,100	56,609	158,709		
	2012	102,100	53,343	155,443		16,610,484
	Variation	–	3,266	3,266		
Hugh J. Bolton	2013	5,026	44,711	49,737		
	2012	3,898	43,935	47,833		5,205,474
	Variation	1,128	776	1,904		
Donald J. Carty(4)	2013	10,000	7,327	17,327		
	2012	–	5,073	5,073		1,812,126
	Variation	10,000	2,254	12,254		
Ambassador Gordon D. Giffin	2013	18,914	20,950	39,864		
	2012	27,048	20,586	47,634		4,169,135
	Variation	-8,134	364	-7,770		
Edith E. Holiday	2013	35,858	11,517	47,375		
	2012	35,858	9,492	45,350		4,954,665
	Variation	–	2,025	2,025		
V. Maureen Kempston Darkes	2013	60,695	25,280	85,975		
	2012	58,830	24,841	83,671		8,998,144
	Variation	1,865	439	2,304		
The Hon. Denis Losier	2013	91,345	47,528	138,873		
	2012	89,771	44,878	134,649		14,534,448
	Variation	1,574	2,650	4,224		
The Hon. Edward C. Lumley	2013	60,060	42,891	102,951		
	2012	58,210	42,146	100,356		10,774,852
	Variation	1,850	745	2,595		
David G.A. McLean	2013	109,519	87,780	197,299		
	2012	109,880	86,257	196,137		20,649,313
	Variation	-361	1,523	1,162		
Claude Mongeau	2013	31,057	199,515	230,572		
	2012	29,730	196,052	225,782	N/A	24,131,666
	Variation	1,327	3,463	4,790		
James E. O'Connor(4)	2013	7,709	–	7,709		
	2012	5,849	–	5,849		806,238
	Variation	1,860	–	1,860		

Robert Pace 2013
2012
Variation