

December 3, 2020

- BY COURIER -

Canadian National Railways (Headquarters)  
935 de La Gauchetière Street West  
Montreal, Quebec  
Canada H3B 2M9

Attn: Board of Directors for Canadian National Railway,

**RE: CN Railway - Shareholder Proposals being made by Pamala Fraser.**

My name is Ms. Pamela Fraser of 515 Home PI SE, High River, Alberta T1V 1K1. I am the owner of 54 shares of Canadian National Railway Company (CNR.TO). I hold these shares through my Credential Qtrade Securities Inc. account that is managed by OMP portfolio managers. Based on the attached account summary from Credential, these shares are currently valued at approximately \$6,352.56.

Under Section 137 of the *Canada Business Corporations Act* owners of voting shares are entitled to make shareholder proposals for consideration at the Annual Shareholder Meeting. Under Section 46 of the *Canada Business Corporations Regulations, 2001*, the person making a shareholder proposal must have been the owner of the required amount of shares for more than six months prior to the date listed by the corporation for submission, and the shares must have a value in excess of \$2,000.00. I have been the owner of these shares for longer than six months and they are valued at more than the minimum value.

Please find attached to this letter two separate shareholder proposals that I wish to put forward for inclusion in this year's CN Management Information Proxy Circular. If further information is required under Section 137(1.4) of the *Canada Business Corporations Act* regarding my ownership of shares, please let us know at your earliest convenience.

Please direct any further communications about my shareholder proposals through my lawyer, Mr. Tavengwa Runyowa of Runyowa Law, in Regina, Saskatchewan. His contact information is:

Tavengwa Runyowa  
Runyowa Law  
7th Floor, Royal Bank Building  
2010 11th Avenue  
Regina, SK S4P 0J3

Office phone: 306-206-2800

Cell: 306-209-9973

Fax: 306-206-2701

Email: [law@runyowa.com](mailto:law@runyowa.com)

Thank you,

**PAMELA FRASER**

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Pamela Fraser

**Signature:** PAMELA FRASER  
PAMELA FRASER (Dec 3, 2020 12:23 MST)

**Email:** [pamalama2@gmail.com](mailto:pamalama2@gmail.com)

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- BY COURIER -

Canadian National Railways (Headquarters)  
935 de La Gauchetière Street West  
Montreal, Quebec  
Canada H3B 2M9

Attn: The Board of Directors for Canadian National Railway,

**RE: CN Railway - Shareholder Proposals being made by Pamala Fraser.**

I represent Ms. Pamela Fraser of 515 Home PI SE, High River, Alberta T1V 1K1. Ms. Fraser owns 54 shares of Canadian National Railway Company (CNR.TO). I understand that she holds these shares through her Credential Qtrade Securities Inc. account that is managed by OMP portfolio managers. Based on the account summary she attached from Credential, these shares are currently valued at approximately \$6,352.56.

Under Section 137 of the *Canada Business Corporations Act* owners of voting shares are entitled to make shareholder proposals for consideration at the Annual Shareholder Meeting. Under Section 46 of the *Canada Business Corporations Regulations, 2001*, the person making a shareholder proposal must have been the owner of the required amount of shares for more than six months prior to the date listed by the corporation for submission, and the shares must have a value in excess of \$2,000.00. Ms. Fraser has been the owner of these shares for longer than six months and they are valued in excess of the minimum value.

This being the case, please find attached to this letter two separate shareholder proposals that Ms. Fraser wishes to put forward for inclusion in this year's CN Management Information Proxy Circular. If further information is required pursuant to Section 137(1.4) of the *Canada Business Corporations Act* regarding her ownership of shares, please let us know at your earliest convenience.

Please direct any correspondence regarding these Shareholder Proposals to me. Our contact information is on our letterhead. However, you may also reach me directly on my cell phone at 306-209-9974. Further, apart from that number, e-mail is my preferred method of communication as I usually do not use the fax machine.

Sincerely,

*Tavengwa Runyowa*

Tavengwa Runyowa

(Representative of Ms. Pamela Fraser)

**Proposal - Request for the Board of Directors to institute a new safety-centred bonus system.**

**RESOLVED – That for the first CN Railway worker death in any applicable period, every manager and corporate officer’s performance bonus is automatically cut by 20% from the higher of the previous or current year’s projected figure, with further deductions of 15% for each subsequent death up to a maximum of 80%. Separately, every “serious injury” to a worker automatically deducts 2% from all managers’ and corporate officers’ bonuses up to an additional 14%.**

*Supporting statement.*

In safety conscious workplaces, every worker death is preventable. Even deaths and serious injuries whose causes appear limited to worker error have systemic foundations. Further, worker safety and profitability are allies, not antagonists. In modern industrial nations such as Canada and the United States, it has been demonstrated that safer workplaces enjoy higher worker morale, fewer workdays lost to injuries, and less hiring and training expenses.

The case of Alcoa Corporation, under the leadership of Mr. Paul O’Neil, affirmed the principle that in the long term, worker safety and profitability rise in tandem. Although, price-to-earnings ratios and stock prices are important, in the contemporary industrial landscape, these measures are only sustainable as the by-products of skillful and rigorous promotion of corporate values such as workplace safety.

In 2019, the Transport Safety Board (TSB), reported 1,243 railway accidents. This represents an 18% spike in the 5-year average. In 2019, the TSB reported 72 rail-related fatalities, a 20% spike in the 5-year average. These figures reflect 360 deaths and 6,215 accidents between 2014 and 2019. A substantial number of these incidents involved CN Railway operations.

Corporate strategy and remuneration policy must align with the objectives they intend to accomplish. Tying bonuses more resolutely with workplace and public safety will create a climate of collective responsibility that will reward CN Railway managers and corporate officers for “putting *their* money where their workers’ safety is”. The proposed bonus system is structured to provide an additional and galvanizing incentive for managers and corporate officers to hold each other accountable. Safety shortfalls by one manager or corporate officer will impose financial accountability on them all.

As ESG and the values that inspired its creation become increasingly important for investors and the public, there is no better expression of a corporation’s commitment to its customers, workers, and society than tying management’s bonuses to their collective success in securing workplace safety. The incentive to promote profitability in tandem with safety will also spark the

corporate imagination to redirect the focus from the expedience that often places these goals at odds. This proposal is bold, and necessarily so. Quantum leaps tend to require massive risks. In this case, grafting safety into the DNA of corporate strategy via the performance bonus system poses a modest risk to corporate leaders who are already tasked to guarantee workplace safety. Passing this resolution will make CN Railway the world's safest railway company by a comfortable margin.

**Proposal – The criminal investigation of all railway worker deaths and serious injuries by independent police forces in Canada and the US.**

**RESOLVED - That the Board shall require the CN Police Service to cede and proactively request the criminal investigation of all workplace deaths and serious injuries to the RCMP and independent police forces in Canada and the US. CN Police must play no investigative role in these cases.**

**Supporting statement.**

The CN Police Service has the same criminal law enforcement powers as Canada’s public police forces. However, CN Police is wholly owned and controlled by CN Railway. As employees, CN Police officers are directly answerable to the corporation. This includes in criminal investigations. CN Railway can terminate its police officers without resorting to the courts that formalized their appointments. CN Police has no independent civilian oversight body. In Canada, CN Railway solely appoints the persons who address public complaints against its police force, and by extension, the corporation.

The above is problematic. The Westray laws require employers’ potential criminal liability to be at the forefront of all investigations of workplace deaths and serious injuries. Therefore, CN Police’s control over criminal investigations into the conduct of the corporate management it reports to, undermines public confidence in the integrity, impartiality, and independence of such investigations.

The status quo violates the legal principle of police independence, which requires police forces to be operationally independent, especially from the parties whose actions are under investigation. Canadians and Americans expect that all criminal investigations of railway fatalities and serious injuries are not controlled by the corporations that may be responsible.

The privatization of criminal law enforcement is inconsistent with Canadians’ and Americans’ conception of good, accountable, and modern governance. This situation threatens to jeopardize CN Railway’s Environmental, Social, and Governance (ESG) rating, a metric of increasing importance to investors and the public.

In 2019, the Transport Safety Board (TSB), reported 1,243 railway accidents, an 18% spike in the 5-year average. In 2019, the TSB reported 72 rail-related deaths, a 20% spike in the 5-year average. These figures reflect 360 deaths and 6,215 accidents between 2014 - 2019. Given these high figures, the public perception is that certain railway companies’ ownership of the investigating police forces explains the near-zero rate of criminal prosecutions. Unfortunately, the TSB and Transport Canada have no authority for criminal investigations or referrals. Only a proactive company policy of requesting independent police investigations will address this accountability deficit.

CN Railway faces significant and indeterminate risks by continuing to exercise *de facto* and *de jure* control over criminal investigations. For example, if a mass casualty event such as the Lac Mégantic disaster happens on either side of CN Police's cross-border jurisdiction, CN Railway would face debilitating public and legal scrutiny in Canada and the US. This is inevitable if the company criminally investigates itself, or its police employees are alleged to have squandered preventive opportunities. The legal, commercial, diplomatic, political, governance, and public relations costs of rejecting this resolution are unacceptably high.