



TCI Comments on Resignation of CN Railway CEO

LONDON, October 19, 2021 -- Long-term shareholders CIFF Capital UK LP and The Children's Investment Master Fund, acting by their investment manager TCI Fund Management Limited (CIFF Capital UK LP, The Children's Investment Master Fund and TCI Fund Management Limited, together, "TCI"), comments on the resignation of Canadian National Railway Company's (TSX: CNR) (NYSE: [CNI](#)) ("CN" or "the Company") CEO, J.J. Ruest.

"We appreciate CN's Board of Directors listening to the concerns of its shareholders, recognizing it has created a problem for the Company and taking TCI's advice to implement change. Dismissing the same CEO that the Board put in place just three short years ago is a good start, but it does not address the fundamental problem of a lack of leadership, failed strategic oversight, and the vacuum of operational expertise at the Board level. Putting a new plan out a month ago without having the CEO needed to implement it is a massive corporate governance failure and puts the future of the Company at risk. The good news is TCI has a clear plan and the right people available now to fix that," said Chris Hohn, TCI Founder and Portfolio Manager.

"This announcement is a clear admission by the Board that change is needed, and we are here to help usher in that needed change as quickly as possible. We have already identified an excellent CEO candidate in Jim Vena, who is available now, and we encourage the Board to meet with him immediately to secure his leadership. In addition, to solve the governance crisis the Board has created for itself, the Board should meet with the four independent nominees TCI has put forward and expedite their appointment to the Board, effective immediately. We also expect that given the history of failed CEO appointments, the Board would welcome the advice, expertise and participation of TCI's nominees on the search committee. As the Board has demonstrated with this announcement change cannot wait."

About CEO Candidate Jim Vena

Mr. Vena has a proven 40+ year track record as an exceptional railroad operator. He spent 40 years at CN, where he started as a unionized employee in 1976 and worked his way up to become Chief Operating Officer from 2013 until his retirement in 2016. Most recently, during his 2.5 years as Chief Operating Officer and Senior Advisor to the Chairman at Union Pacific, Mr. Vena drove a huge improvement in the company's operations, service, efficiency and profitability, resulting in a 650bps improvement in the operating ratio, US\$1.4 billion in efficiency savings and the best service metrics in the company's history. Mr. Vena is a Canadian citizen who was raised in Jasper, Alberta.

Read TCI's strategic plan to strengthen CN's governance, leadership and network, and about the independent, highly-skilled board candidates at www.CNBackOnTrack.com.

Advisors

Kingsdale Advisors is acting as strategic shareholder and communications advisor to TCI. ASC Advisors is acting as communications advisor to TCI. Allen McDonald Swartz LLP, Fasken Martineau DuMoulin LLP and Schulte Roth & Zabel LLP are acting as legal counsel to TCI.

About TCI Fund Management

Founded in 2003 by Sir Christopher Hohn, TCI Fund Management Limited, the investment manager of CIFF Capital UK LP and The Children's Investment Master Fund, is a value-oriented, fundamental investor which invests globally in strong businesses with sustainable competitive advantages. Using a private equity approach, TCI Fund Management Limited conducts deep fundamental research, constructively engages with management and adopts a long-term investment horizon. For more information on TCI Fund Management Limited and its ESG policy, visit www.tcifund.com/ESG. [TCI Fund Management Limited is authorised and regulated by the Financial Conduct Authority.](#)

Disclosures



TCI has been a CN shareholder since 2018. TCI currently owns more than 5% of the shares outstanding (valued at US\$4.3 billion) and is committed to the long-term success of CN.

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Information in Support of Public Broadcast Solicitation

Shareholders are not being asked at this time to execute a proxy in favour of TCI's nominees for election to the Board or any other resolutions set forth in TCI's requisition for the Special Meeting. In connection with the Special Meeting, TCI has filed a preliminary information circular dated September 27, 2021 (the "Circular") and expects to issue a supplement thereto or amendment and restatement thereof (the "Final TCI Circular") containing further disclosure concerning TCI's proposals, together with additional details concerning the completion and return of forms of proxy and voting information forms ("VIFs") to be provided by TCI for use at the Special Meeting.

This press release and any solicitation made by TCI in advance of the Special Meeting is, or will be, as applicable, made by TCI and not by or on behalf of the management of CN.

Shareholders of CN are not being asked at this time to execute proxies in favour of TCI's nominees (in respect of the Special Meeting) or any other resolution set forth in the requisition. TCI intends to make its solicitation primarily by mail, but proxies may also be solicited personally by telephone, email or other electronic means, as well as by newspaper or other media advertising or in person, by TCI, certain of its members, partners, directors, officers and employees, TCI's nominees or TCI's agents, including Kingsdale Advisors, who has been retained by TCI as its strategic shareholder advisor and proxy solicitation agent. Pursuant to the agreement between Kingsdale Advisors and TCI Fund Management Limited, Kingsdale Advisors will receive a fee of up to \$3.5 million, plus customary fees for each call to or from shareholders of CN, and will be reimbursed for certain out-of-pocket expenses, with all such costs to be borne by TCI. In addition, TCI may solicit proxies in reliance upon the public broadcast exemption to the solicitation requirements under applicable Canadian corporate and securities laws, by way of public broadcast, including press release, speech or publication, and in any other manner permitted under applicable Canadian laws. Any members, partners, directors, officers or employees of TCI and their affiliates or other persons who solicit proxies on behalf of TCI will do so for no additional compensation. The costs incurred in the preparation and mailing of the Circular and the Final TCI Circular, and the solicitation of proxies by TCI will be borne by TCI, provided that, subject to applicable law, TCI may seek reimbursement from CN of TCI's out-of-pocket expenses, including proxy solicitation expenses and legal fees, incurred in connection with a successful reconstitution of the Board.



A registered shareholder of CN who has given a proxy may revoke the proxy at any time prior to use by:

- (a) depositing an instrument or act in writing revoking the proxy, executed or, in Quebec, signed by such registered shareholder or by his, her or its personal representative authorized in writing or by electronic signature or, if the registered shareholder is a corporation, by an officer or attorney thereof properly authorized, either: (i) at the registered office of CN at any time up to and including the last business day preceding the day of the Special Meeting or any postponement(s) or adjournment(s) thereof, at 935, rue de La Gauchetière ouest, Montréal, Québec, Canada, H3B 2M9; or (ii) with the chairman of the Special Meeting prior to commencement of the Special Meeting on the day of the Special Meeting or any postponement(s) or adjournment(s) thereof; or
- (b) revoking the proxy in any other manner permitted by law.

A non-registered shareholder may revoke a form of proxy or VIF given to an intermediary or Broadridge Investor Communications (or any such other service company) at any time by submitting another properly completed form of proxy or VIF, as the latest form of proxy or VIF will automatically revoke any previous one already submitted, or by written notice to the intermediary in accordance with the instructions given to the non-registered shareholder by its intermediary.

Based on information provided to TCI by each respective nominee, none of TCI's nominees, nor any of their associates or affiliates, has had any material interest, direct or indirect, in any transaction since the commencement of CN's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect CN or any of its subsidiaries.

Based on information provided to TCI by each respective nominee, none of TCI nor any member, partner, director or officer of TCI, nor any of TCI's nominees, nor any associates or affiliates of the foregoing, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in the matters currently known to be acted upon at the Special Meeting, other than in respect of TCI's ownership, control or direction of an aggregate of 36,699,825 common shares of CN, and the removal of certain incumbent directors and the election of the nominees as directors of CN.

CN's registered office address is 935, rue de La Gauchetière ouest, Montréal, Québec, Canada, H3B 2M9. A copy of the Circular which contains the information required in respect of each of TCI's nominees may be obtained on CN's SEDAR profile at www.sedar.com.