

No securities regulatory authority has expressed an opinion about these securities and it is an offense to claim otherwise. This prospectus supplement, together with the accompanying short-form base shelf prospectus dated December 3, 2013 to which it relates and each document incorporated by reference in this prospectus supplement and the accompanying prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

These securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws. Subject to certain exceptions, these securities may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons. See "Plan of Distribution".

Information has been incorporated by reference in this prospectus supplement and in the accompanying prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary, Canadian National Railway Company, 935 de La Gauchetière Street West, Montreal, Québec H3B 2M9 (telephone: (514) 399-7091), and are also available electronically at www.sedar.com.

PROSPECTUS SUPPLEMENT
(To the Short Form Base Shelf Prospectus Dated December 3, 2013)

New Issue

September 14, 2015

\$850,000,000



Canadian National Railway Company
\$350,000,000 of 2.80% Notes due 2025
\$400,000,000 of 3.95% Notes due 2045
\$100,000,000 of 4.00% Notes due 2065

Interest on the 2.80% Notes due 2025 (the "2025 Notes"), the 3.95% Notes due 2045 (the "2045 Notes"), and the 4.00% Notes due 2065 (the "2065 Notes", and, together with the 2025 Notes and the 2045 Notes, the "Offered Securities") of Canadian National Railway Company (the "Company") offered under this prospectus supplement is payable semi-annually in arrears on March 22 and September 22 of each year, commencing on March 22, 2016, in each case to the holder of record of such Offered Securities on the March 7 or September 7 preceding the next interest payment date. The Offered Securities are redeemable, in whole or in part, at the option of Canadian National Railway Company at any time and from time to time, upon not less than 30 nor more than 60 days' notice, at the applicable redemption price and subject to the conditions set forth herein. See "Description of Offered Securities – Optional Redemption".

The Offered Securities will be senior unsecured, general obligations of the Company and will rank equally with all of the Company's existing and future senior unsecured indebtedness, but will be effectively junior to obligations of the Company's subsidiaries. See "Description of Offered Securities – General".

	Per 2025 Note	Total	Per 2045 Note	Total	Per 2065 Note	Total
Public offering price ⁽¹⁾	99.680%	\$348,880,000	99.669%	\$398,676,000	98.741%	\$98,741,000
Agents' fee	0.400%	\$1,400,000	0.500%	\$2,000,000	0.500%	\$500,000
Proceeds to the Company (before expenses) ⁽¹⁾	99.280%	\$347,480,000	99.169%	\$396,676,000	98.241%	\$98,241,000

⁽¹⁾ Plus accrued interest, if any, from September 22, 2015, if settlement occurs after that date.

There is no market through which the Offered Securities may be sold and purchasers may not be able to resell the Offered Securities purchased under this prospectus supplement and the accompanying prospectus. This may affect the pricing of the Offered Securities in the secondary market, the transparency and

availability of trading prices, the liquidity of the Offered Securities, and the extent of issuer regulation. See "Risk Factors" in the accompanying prospectus and documents incorporated by reference in this prospectus supplement and in the accompanying prospectus.

The effective yield of the 2025 Notes, the 2045 Notes and the 2065 Notes, if held to maturity, is 2.837%, 3.969% and 4.059% per annum, respectively. The Agents (defined below) may offer the Offered Securities at a lower price than stated above.

Each of BMO Nesbitt Burns Inc., RBC Dominion Securities Inc., Scotia Capital Inc., TD Securities Inc., Citigroup Global Markets Canada Inc., HSBC Securities (Canada) Inc., BNP Paribas (Canada) Securities Inc., Desjardins Securities Inc., Merrill Lynch Canada Inc. and Wells Fargo Securities Canada Ltd. (collectively, the "Agents"), as agents, conditionally offer the Offered Securities, subject to prior sale, on a best efforts basis if, as and when issued and delivered by the Company, and accepted by, the Agents in accordance with the conditions contained in the Agency Agreement referred to under the heading "Plan of Distribution", and subject to the approval of certain legal matters on behalf of the Company by the Executive Vice-President Corporate Services and Chief Legal Officer and by Stikeman Elliott LLP and on behalf of the Agents by Norton Rose Fulbright Canada LLP.

Subscriptions will be received subject to rejection or allotment in whole or in part and the Agents reserve the right to close the subscription books at any time without notice. It is anticipated that the closing date (the "Closing Date") of this offering will be on or about September 22, 2015 or such later date as may be agreed upon by the Company and the Agents, but in any event not later than October 2, 2015. Certificates representing the Offered Securities offered hereunder will be issued in the form of fully registered global Offered Securities held by, or on behalf of, CDS Clearing and Depository Services Inc. ("CDS"), or its nominee, and will be deposited with CDS on the Closing Date. No certificates evidencing the Offered Securities will be issued to purchasers, except in certain limited circumstances, and registration will be made in the depository service of CDS. A purchaser of Offered Securities will receive only a confirmation of purchase from the Agent or other registered dealer who is a CDS participant from whom the Offered Securities are purchased. See "Details of the Offering".

An investment in the Offered Securities is subject to certain risks that should be considered by prospective investors. See "Risk Factors" in the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and in the accompanying prospectus.

In connection with the offering of the Offered Securities, the Agents may engage in transactions that stabilize, maintain or otherwise affect the price of the Offered Securities. Such transactions, if commenced, may be discontinued at any time. See "Plan of Distribution".

Each of the Agents is an affiliate of a bank which is a member of a syndicate of financial institutions that has made available to the Company a revolving credit facility. Accordingly, under applicable Canadian securities laws, the Company may be considered a "connected issuer" of such Agents. See "Relationship between the Company and the Agents".

The Company's registered and head office is located at 935 de La Gauchetière Street West, Montreal, Québec, H3B 2M9, and its telephone number is 1-888-888-5909. The Company's common shares are listed for trading on the Toronto Stock Exchange under the symbol "CNR" and on the New York Stock Exchange under the symbol "CNI".

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In this prospectus supplement, unless the context otherwise indicates, the "Company", "CN", "we", "us" and "our" each refer to Canadian National Railway Company and its subsidiaries. All dollar amounts referred to in this prospectus supplement are in Canadian dollars unless otherwise specifically expressed.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, filed with the securities commission or other similar authority in each of the provinces and territories of Canada, are incorporated by reference in, and form an integral part of, this prospectus supplement and the accompanying prospectus:

- (1) the Annual Information Form of the Company dated February 2, 2015 for the year ended December 31, 2014;
- (2) the audited consolidated financial statements of the Company for the years ended December 31, 2014 and 2013 and notes related thereto, together with the Report of Independent Registered Public Accounting Firm thereon and on the effectiveness of the Company's internal control over financial reporting as of December 31, 2014;
- (3) the Company's Management's Discussion and Analysis for the year ended December 31, 2014;
- (4) the unaudited interim consolidated financial statements of the Company for the three months and six months ended June 30, 2015;
- (5) the Company's Management's Discussion and Analysis for the three months and six months ended June 30, 2015;
- (6) the Company's Management Information Circular dated March 10, 2015 prepared in connection with the Company's annual meeting of shareholders held on April 21, 2015;
- (7) the template version of the indicative term sheet prepared for potential investors in connection with the offering of each of the 2025 Notes and the 2045 Notes (collectively, the "Indicative Term Sheets"); and
- (8) the Final Term Sheets (as defined below).

Any document of the type referred to in the preceding paragraph and all material change reports (excluding confidential material change reports) filed by the Company with securities commissions or similar authorities in the provinces and territories of Canada subsequent to the date of this prospectus supplement and prior to the termination of any offering under this prospectus supplement shall be deemed to be incorporated by reference in this prospectus supplement and the accompanying prospectus.

Any statement contained in this prospectus supplement or the accompanying prospectus or in a document incorporated or deemed to be incorporated by reference in this prospectus supplement or the accompanying prospectus shall be deemed to be modified or superseded, for purposes of this prospectus supplement and the accompanying prospectus, to the extent that a statement contained in this prospectus supplement or the accompanying prospectus or in any other subsequently filed document that also is, or is deemed to be, incorporated by reference in this prospectus supplement or the accompanying prospectus modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement or the accompanying prospectus.

The Indicative Term Sheets are not a part of this prospectus supplement or the accompanying prospectus to the extent that the contents of the Indicative Term Sheets have been modified or superseded by a statement contained in this prospectus supplement. Any statement contained in the Indicative Term Sheets is modified or superseded to the extent that a statement contained in the Final Term Sheets (as defined below) modifies or supersedes that statement.

The Indicative Term Sheets did not include a number of terms of this offering. The terms of the 2025 Notes have been confirmed to reflect a principal amount of \$350,000,000, an interest rate of 2.80% per annum, a yield to maturity of 2.837%, an issue price of \$99.680 per \$100 principal amount and the definition of "Canada Yield Price"

and the terms of the 2045 Notes have been confirmed to reflect a principal amount of \$400,000,000, an interest rate of 3.95% per annum, a yield to maturity of 3.969%, an issue price of \$99.669 per \$100 principal amount and the definition of "Canada Yield Price", all as reflected in this prospectus supplement. No indicative term sheet was used, prepared or distributed in connection with the 2065 Notes. Pursuant to subsection 9A.3(7) of National Instrument 44-102 – Shelf Distributions, the Company has prepared a final Term Sheet for each of the 2025 Notes, the 2045 Notes and the 2065 Notes (collectively, the "Final Term Sheets"), which, in connection with the 2025 Notes and the 2045 Notes, reflects the modifications discussed above, a blackline of each of which has been prepared for the 2025 Notes and the 2045 Notes. A copy of the Final Term Sheets and associated blacklines as compared to the Indicative Term Sheets for the 2025 Notes and the 2045 Notes can be viewed under the Company's profile on www.sedar.com.

Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary, Canadian National Railway Company, 935 de La Gauchetière Street West, Montreal, Québec, H3B 2M9 (telephone: (514) 399-7091), and are also available electronically at www.sedar.com.

USE OF PROCEEDS

The net proceeds to the Company from the sale of the Offered Securities will be approximately \$841 million after deducting the Agents' fees and other expenses related to the offering. The Company plans to use such proceeds for general corporate purposes, including the redemption and refinancing of outstanding indebtedness and share repurchases.

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Company as at December 31, 2014 and as at June 30, 2015 based on U.S. generally accepted accounting principles ("U.S. GAAP") and as adjusted to give effect to the issuance of the Offered Securities.

The data under the columns "As at December 31, 2014" and "As at June 30, 2015" in the table below has been derived from, and should be read in conjunction with, the audited consolidated financial statements of the Company for the year ended December 31, 2014 and the unaudited interim consolidated financial statements of the Company for the six months ended June 30, 2015 and the related notes thereto, respectively, incorporated by reference in this prospectus supplement and the accompanying prospectus.

	As at December 31, 2014	As at June 30, 2015	As adjusted as at June 30, 2015
		(in millions)	
Current portion of long-term debt	\$ 544	\$ 1,502	\$ 1,502
Long-term debt	7,865	7,842	7,842
Offered Securities	-	-	846
Total debt	8,409	9,344	10,190
Shareholders' equity			
Common shares	3,718	3,687	3,687
Common shares in shares trusts	-	(44)	(44)
Additional paid-in capital	439	461	461
Accumulated other comprehensive loss	(2,427)	(2,192)	(2,192)
Retained earnings	11,740	12,042	12,042
Total shareholders' equity	13,470	13,954	13,954
Total capitalization	\$ 21,879	\$ 23,298	\$ 24,144

EARNINGS COVERAGE RATIOS

The following earnings coverage ratios are calculated for the twelve-month periods ended December 31, 2014 and June 30, 2015 and give effect to the issuance of all long-term debt of the Company and repayment and redemption thereof since the beginning of such twelve-month periods, respectively, and the issuance of the Offered Securities, as if these transactions had occurred on the first day of such twelve-month periods, respectively.

Based on U.S. GAAP, the Company's interest expense requirements would have amounted to approximately \$413 million and \$432 million for the twelve-month periods ended December 31, 2014 and June 30, 2015,

respectively. The Company's earnings before interest expense and income taxes for the twelve-month periods ended December 31, 2014 and June 30, 2015 would have been approximately \$4,731 million and \$5,002 million, respectively, which is 11.46 times and 11.58 times the Company's interest expense requirements for such periods.

DESCRIPTION OF OFFERED SECURITIES

The following is a summary of the material attributes of the Offered Securities. The description of the Offered Securities in this prospectus supplement supplements the description of the Company's securities contained in the accompanying prospectus. If the description contained in these documents is inconsistent, the description contained in this prospectus supplement controls. For full particulars, reference should be made to the Indenture (as defined below).

Unless otherwise indicated, references to "CN", the "Company", or "we" in this "Description of Offered Securities" are to Canadian National Railway Company but not to any of its subsidiaries.

General

The Offered Securities will be issued in fully registered form in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof under an indenture dated as of July 12, 2013 as amended from time to time (the "Indenture") between the Company and BNY Trust Company of Canada, as trustee (the "Trustee"). The aggregate principal amount of the 2025 Notes will be initially limited to \$350 million, the aggregate principal amount of the 2045 Notes will be initially limited to \$400 million and the aggregate principal amount of the 2065 Notes will be initially limited to \$100 million. The Indenture does not limit the amount of debt securities that may be issued by the Company. The Offered Securities will be senior unsecured, general obligations of the Company and will rank equally with all of the Company's existing and future senior unsecured indebtedness.

The Company conducts a substantial portion of its operations through its subsidiaries. Claims of creditors of the Company's subsidiaries generally have priority with respect to the assets and earnings of those subsidiaries over the claims of creditors of the Company, including holders of the Offered Securities. The Offered Securities therefore are effectively subordinated to creditors of the Company's subsidiaries. The Offered Securities are also subordinated to any liabilities of the Company that are secured by any of the Company's assets including, without limitation, those under capital leases.

The Company and its subsidiaries may incur additional obligations in the future.

The 2025 Notes, the 2045 Notes and the 2065 Notes will mature on September 22, 2025, September 22, 2045 and September 22, 2065, respectively, but are subject to earlier optional redemption as described under "Optional Redemption" below. The Offered Securities are not entitled to the benefit of any sinking fund.

Interest will accrue on the principal amount of each of the 2025 Notes, the 2045 Notes and the 2065 Notes at the annual rates of 2.80%, 3.95% and 4.00 %, respectively, from and including September 22, 2015 (the "Original Issue Date") to, but excluding the date on which the principal amount is paid in full. Interest accrued on the Offered Securities will be payable semi-annually in arrears on March 22 and September 22 of each year, commencing on March 22, 2016 in each case to the holder of record of such Offered Securities on the March 7 or September 7 preceding the next interest payment date.

If any interest, principal or other payment to be made in respect of the Offered Securities would otherwise be due on a day that is not a Business Day, payment may be made on the next succeeding day that is a Business Day, with the same effect as if payment were made on the due date. "Business Day" means any day other than a Saturday, a Sunday or a day on which banking institutions in Montreal or Toronto are authorized or obligated by law to close.

Transfers of the Offered Securities are registrable and principal is payable at the principal office of the Trustee at 320 Bay Street, 11th floor, Toronto, Ontario. The Offered Securities will initially be issued in global form. See "Global Securities" below.

Optional Redemption

The 2025 Notes will be redeemable, in whole or in part, at the option of the Company at any time and from time to time, upon not less than 30 nor more than 60 days' notice. The redemption price for the 2025 Notes to be

redeemed on any redemption date that is prior to June 22, 2025 (the "2025 Notes Par Call Date") will be the greater of (i) the "Canada Yield Price" (as defined in the next sentence) and (ii) par, together in each case with accrued and unpaid interest up to, but excluding, the date fixed for redemption. "Canada Yield Price" in the case of the redemption of the 2025 Notes shall mean a price equal to the price of the 2025 Notes calculated on the banking day preceding the day on which the redemption is authorized by the Company to provide a yield from the date fixed for redemption to the 2025 Notes Par Call Date of the 2025 Notes to be redeemed equal to the Government of Canada Yield (as defined below) plus 33 basis points. The redemption price for the 2025 Notes to be redeemed on any redemption date that is on or after the 2025 Notes Par Call Date will be equal to 100% of the principal amount of the 2025 Notes being redeemed on the redemption date, plus accrued and unpaid interest on the 2025 Notes up to, but excluding, the redemption date. "Government of Canada Yield" shall mean the yield from the date fixed for redemption to the 2025 Par Call Date of the 2025 Notes to be redeemed, assuming semi-annual compounding, which an issue of non-callable Government of Canada bonds would carry on the remaining term to the 2025 Notes Par Call Date of the 2025 Notes to be redeemed. The "Government of Canada Yield" in the case of redemption of the 2025 Notes shall be the average of the yields provided by two registered Canadian investment dealers selected by the Company. In case of partial redemption, the 2025 Notes shall be redeemed on a *pro rata* basis.

The 2045 Notes will be redeemable, in whole or in part, at the option of the Company at any time and from time to time, upon not less than 30 nor more than 60 days' notice. The redemption price for the 2045 Notes to be redeemed on any redemption date that is prior to March 22, 2045 (the "2045 Notes Par Call Date") will be the greater of (i) the "Canada Yield Price" (as defined in the next sentence) and (ii) par, together in each case with accrued and unpaid interest up to, but excluding, the date fixed for redemption. "Canada Yield Price" in the case of the redemption of the 2045 Notes shall mean a price equal to the price of the 2045 Notes calculated on the banking day preceding the day on which the redemption is authorized by the Company to provide a yield from the date fixed for redemption to the 2045 Notes Par Call Date of the 2045 Notes to be redeemed equal to the Government of Canada Yield (as defined below) plus 43 basis points. The redemption price for the 2045 Notes to be redeemed on any redemption date that is on or after the 2045 Notes Par Call Date will be equal to 100% of the principal amount of the 2045 Notes being redeemed on the redemption date, plus accrued and unpaid interest on the 2045 Notes up to, but excluding, the redemption date. "Government of Canada Yield" shall mean the yield from the date fixed for redemption to the 2045 Notes Par Call Date of the 2045 Notes to be redeemed, assuming semi-annual compounding, which an issue of non-callable Government of Canada bonds would carry on the remaining term to the 2045 Notes Par Call Date of the 2045 Notes to be redeemed. The "Government of Canada Yield" in the case of redemption of the 2045 Notes shall be the average of the yields provided by two registered Canadian investment dealers selected by the Company. In case of partial redemption, the 2045 Notes shall be redeemed on a *pro rata* basis.

The 2065 Notes will be redeemable, in whole or in part, at the option of the Company at any time and from time to time, upon not less than 30 nor more than 60 days' notice. The redemption price for the 2065 Notes to be redeemed on any redemption date that is prior to March 22, 2065 (the "2065 Notes Par Call Date") will be the greater of (i) the "Canada Yield Price" (as defined in the next sentence) and (ii) par, together in each case with accrued and unpaid interest up to, but excluding, the date fixed for redemption. "Canada Yield Price" in the case of the redemption of the 2065 Notes shall mean a price equal to the price of the 2065 Notes calculated on the banking day preceding the day on which the redemption is authorized by the Company to provide a yield from the date fixed for redemption to the 2065 Notes Par Call Date of the 2065 Notes to be redeemed equal to the Government of Canada Yield (as defined below) plus 45.5 basis points. The redemption price for the 2065 Notes to be redeemed on any redemption date that is on or after the 2065 Notes Par Call Date will be equal to 100% of the principal amount of the 2065 Notes being redeemed on the redemption date, plus accrued and unpaid interest on the 2065 Notes up to, but excluding, the redemption date. "Government of Canada Yield" shall mean the yield from the date fixed for redemption to the 2065 Par Call Date of the 2065 Notes to be redeemed, assuming semi-annual compounding, which an issue of non-callable Government of Canada bonds would carry on the remaining term to the 2065 Notes Par Call Date of the 2065 Notes to be redeemed. The "Government of Canada Yield" in the case of redemption of the 2065 Notes shall be the average of the yields provided by two registered Canadian investment dealers selected by the Company. In case of partial redemption, the 2065 Notes shall be redeemed on a *pro rata* basis.

Change of Control Repurchase Event

If a change of control repurchase event occurs with respect to any of the 2025 Notes, the 2045 Notes or the 2065 Notes, unless the Company has exercised its right to redeem the 2025 Notes, the 2045 Notes or the 2065 Notes, as described above, the Company will be required to make an offer to each holder of any or all of the 2025

Notes, the 2045 Notes or the 2065 Notes, as the case may be, to repurchase all or any part (in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof) of that holder's 2025 Notes, 2045 Notes or the 2065 Notes, as the case may be, at a repurchase price in cash equal to 101% of the aggregate principal amount of such securities repurchased plus any accrued and unpaid interest on the securities repurchased to, but excluding, the date of repurchase. Within 30 days following a change of control repurchase event or, at the Company's option, prior to a change of control, but after the public announcement of the change of control, the Company will mail a notice to each holder, with a copy to the Trustee, describing the transaction or transactions that constitute or may constitute the change of control repurchase event and offering to repurchase securities on the payment date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed. The notice shall, if mailed prior to the date of consummation of the change of control, state that the offer to purchase is conditioned on a change of control repurchase event occurring on or prior to the payment date specified in the notice. The Company will comply with the requirements of applicable securities laws and regulations in connection with the repurchase of the Offered Securities as a result of a change of control repurchase event. To the extent that the provisions of any securities laws or regulations thereunder to the extent those laws and regulations are applicable conflict with the change of control repurchase event provisions of the Offered Securities, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the change of control repurchase event provisions of the Offered Securities by virtue of such conflict.

On the repurchase date following a change of control repurchase event, the Company will, to the extent lawful:

- (1) accept for payment all 2025 Notes, 2045 Notes and 2065 Notes or portions of 2025 Notes, 2045 Notes and 2065 Notes, as applicable, properly tendered pursuant to its offer;
- (2) deposit with the Trustee an amount equal to the aggregate purchase price in respect of all 2025 Notes, 2045 Notes and 2065 Notes or portions of 2025 Notes, 2045 Notes and 2065 Notes, as applicable, properly tendered; and
- (3) deliver or cause to be delivered to the Trustee the Offered Securities properly accepted, together with an officers' certificate stating the aggregate principal amount of Offered Securities being purchased by the Company.

The Trustee will promptly deliver by wire transfer in accordance with the applicable payment procedure of CDS to each holder of Offered Securities properly tendered the purchase price for the Offered Securities and the Trustee will promptly authenticate and mail (or cause to be transferred by book-entry) to each holder a new security equal in principal amount to any unpurchased portion of any Offered Securities surrendered; provided that each new security will be in a minimum denomination of \$2,000 and integral multiples of \$1,000 in excess thereof.

The Company will not be required to make an offer to repurchase the 2025 Notes, the 2045 Notes or the 2065 Notes, as applicable, upon a change of control repurchase event if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by the Company and such third party purchases all 2025 Notes, 2045 Notes or 2065 Notes, as applicable, properly tendered and not withdrawn under its offer.

For purposes of the foregoing discussion of a repurchase at the option of holders, the following definitions are applicable:

"below investment grade ratings event" means, with respect to the 2025 Notes, the 2045 Notes or the 2065 Notes, as the case may be, on any day within the 60-day period (which period shall be extended so long as the rating of the 2025 Notes, the 2045 Notes or the 2065 Notes, as the case may be, is under publicly announced consideration for a possible downgrade by any of the rating agencies) after the earlier of (1) the occurrence of a change of control; or (2) public notice of the occurrence of a change of control or the intention by the Company to effect a change of control, the 2025 Notes, the 2045 Notes or the 2065 Notes, as the case may be, are rated below investment grade by at least two of three rating agencies if there are three rating agencies, or all of the rating agencies if there are less than three rating agencies. Notwithstanding the foregoing, a below investment grade ratings event otherwise arising by virtue of a particular reduction in rating shall not be deemed to have occurred in respect of a particular change of control (and thus shall not be deemed a below investment grade ratings event for purposes of the definition of change of control repurchase event hereunder) if the rating agencies making the reduction in rating to which this

definition would otherwise apply do not announce or publicly confirm that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable change of control (whether or not the applicable change of control shall have occurred at the time of the ratings event).

"change of control" means the consummation of any transaction (including, without limitation, any amalgamation, merger or consolidation) the result of which is that any person or group of persons acting jointly or in concert for purposes of such transaction (other than the Company or its subsidiaries) becomes the beneficial owner, directly or indirectly, of more than 50% of the combined voting power of the Company's voting shares or other voting shares into which the Company's voting shares are reclassified, consolidated, exchanged or changed measured by voting power rather than number of shares.

"change of control repurchase event" means the occurrence of both a change of control and a below investment grade ratings event with respect to the 2025 Notes, the 2045 Notes or the 2065 Notes, as the case may be.

"DBRS" means DBRS Limited.

"investment grade" means a rating of Baa3 or better by Moody's (or its equivalent under any successor rating categories of Moody's); a rating of BBB- or better by S&P (or its equivalent under any successor rating categories of S&P); a rating of BBB (low) or better by DBRS (or its equivalent under any successor rating categories of DBRS); and the equivalent investment grade credit rating from any additional rating agency or rating agencies selected by the Company.

"Moody's" means Moody's Investors Service, Inc.

"rating agency" means (1) each of Moody's, DBRS and S&P; and (2) if any of Moody's, DBRS or S&P ceases to rate the Offered Securities, or fails to make a rating of the Offered Securities publicly available for reasons outside of the Company's control, the Company may select any other "approved rating organization" within the meaning of National Instrument 41-101 of the Canadian Securities Administrators as a replacement agency for such one or more of them, as the case may be.

"S&P" means Standard & Poor's Financial Services LLC, a subsidiary of The McGraw-Hill Companies, Inc.

"voting shares" of any specified person as of any date means the shares of such person that are at the time entitled to vote generally in the election of the board of directors of such person.

The change of control repurchase event feature of the 2025 Notes, the 2045 Notes or the 2065 Notes may in certain circumstances make more difficult or discourage a sale or takeover of the Company and, thus, the removal of incumbent management. The Company could, in the future, enter into certain transactions, including asset sales, acquisitions, refinancings or other recapitalizations, that would not constitute a change of control repurchase event under the 2025 Notes, the 2045 Notes or the 2065 Notes, but that could increase the amount of indebtedness outstanding at such time or otherwise affect the Company's capital structure or credit ratings on the 2025 Notes, the 2045 Notes or the 2065 Notes.

The Company may not have sufficient funds to repurchase all the 2025 Notes, the 2045 Notes or the 2065 Notes upon a change of control repurchase event.

Further Issues

The Company may from time to time, without notice to or the consent of any registered holders, create and issue further notes ranking equally and ratably with either of the 2025 Notes, the 2045 Notes or the 2065 Notes. Those further notes will have the same terms (except for the issue date, the issue price and, if applicable, the initial interest payment date) as to status, redemption or otherwise and will be consolidated and form a single series with the 2025 Notes, the 2045 Notes or the 2065 Notes, as the case may be.

Indenture

Modification

The Indenture permits the Company and the Trustee, with the consent of the holders of each series of Outstanding Securities (as defined in the Indenture) affected by the modifications, expressed by Holders' Resolution,

to modify the Indenture or any supplemental indenture or the rights of the holders of such series, except that no such modification shall without the consent of the holders of all such Outstanding Securities so affected (i) extend the stated maturity of any Outstanding Security issued pursuant to the Indenture, reduce the principal amount thereof or reduce the rate or extend the time of payment of interest thereon, or reduce any redemption premium thereon, or (ii) reduce the aforesaid percentage of Outstanding Securities necessary to modify the Indenture or any supplemental indenture. "Holders' Resolution" is defined, in effect, as (a) a resolution which has been adopted by the votes of the holders of not less than 50% in principal amount of the relevant Outstanding Securities at a meeting of the holders at which a quorum, as specified in the Indenture, is present, or (b) one or more instruments in writing signed by the holders of at least 50% in principal amount of the relevant Outstanding Securities.

The Indenture also permits the Company and the Trustee, without the consent of the holders of Securities (as defined in the Indenture) of any series (including the Offered Securities), to enter into indentures supplemental to the Indenture for certain purposes, including (i) to change or eliminate any of the provisions of the Indenture, provided that any such change or elimination (A) shall neither (1) apply to any Security of any series created prior to the execution of such supplemental indenture and entitled to the benefit of such provision nor (2) modify the rights of the holders of any such Security with respect to such provision or (B) shall become effective only when there is no such Security outstanding or (ii) to cure any ambiguity or to correct or supplement any provision contained in the Indenture or in any supplemental indenture which may be defective or inconsistent with any other provision contained in the Indenture or in any supplemental indenture, or to make such other provisions in regard to matters or questions arising under the Indenture as shall not adversely affect the interests of holders of Securities of any series issued pursuant to the Indenture.

Events of Default

An event of default (an "Event of Default") with respect to any series of Securities issued pursuant to the Indenture is defined in the Indenture as being: default for 30 days in payment of interest on that series; default in payment of principal (or premium, if any) on that series; default in the deposit of any mandatory sinking fund payment on that series; default by the Company in the performance of any of the other covenants or warranties in the Indenture relating to that series which shall not have been remedied within a period of 90 days after notice by the Trustee or holders of at least 25% in aggregate principal amount of the Securities of that series then outstanding; or certain events of bankruptcy, insolvency or reorganization of the Company.

The Indenture provides that if an Event of Default with respect to any series of Securities issued pursuant to the Indenture shall have occurred and be continuing, other than due to an event of bankruptcy, insolvency or reorganization of the Company, either the Trustee or the holders of at least 25% in aggregate principal amount of Securities of that series then outstanding may declare the principal of all the Securities of that series to be due and payable immediately, but upon certain conditions such declaration may be annulled and past defaults (except, unless theretofore cured, a default in payment of principal of or interest or premium, if any, on that series of Securities) may be waived by the holders of a majority in principal amount of the Securities of that series then outstanding.

Subject to the provisions of the Indenture relating to the duties of the Trustee, in case an Event of Default with respect to any series of Securities issued pursuant to the Indenture shall occur and be continuing, the Trustee shall be under no obligation to exercise any of the rights or powers in the Indenture at the request of any of the holders of such series, unless such holders shall have offered to the Trustee reasonable security or indemnity satisfactory to the Trustee against the costs, expenses and liabilities which may be incurred by it in compliance with such request. Subject to such provisions for indemnification and certain limitations contained in the Indenture, the holders of a majority in principal amount of the Securities of each series issued pursuant to the Indenture affected by an Event of Default and then outstanding shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee under the Indenture in respect of that series. The Indenture requires the annual filing by the Company with the Trustee of a report as to compliance with certain covenants contained in the Indenture.

Successor Corporation

The Indenture provides that the Company may consolidate, amalgamate or merge with or into any other corporation or sell, convey or lease all or substantially all of its property to any other corporation authorized to acquire and operate the same; provided that upon any such consolidation, amalgamation, merger, sale, conveyance or lease: (i) the successor entity (if other than the Company) is incorporated under the laws of Canada or any

Province or Territory thereof or the laws of the United States or any state thereof or the District of Columbia; (ii) the payment of the principal of (and premium on, if any) and interest on all of the Securities according to their terms, and the performance of all the covenants and conditions of the Indenture to be performed by the Company, shall be expressly assumed, by supplemental indenture satisfactory in form to the Trustee, by the corporation (if other than the Company) formed by such consolidation or amalgamation, or into which the Company shall have been merged, or by the corporation which shall have acquired or leased such property; and (iii) after giving effect to such transaction, no event of default under the Indenture shall have occurred or be continuing.

Restriction on Secured Debt

The Company has covenanted in the Indenture that if in the future it, or any of its Subsidiaries, shall secure any indebtedness for money borrowed, or any guarantees of such indebtedness, now or hereafter existing, by any mortgage, pledge, hypothec, lien, security interest, privilege, conditional sale or other title retention agreement or similar encumbrance (a "Mortgage") on any present or future Railway Properties of the Company or any of its Canadian or U.S. Subsidiaries or on shares of stock of any Railroad Subsidiary of the Company ("Secured Debt"), the Securities shall be secured by the Mortgage equally and ratably with such other indebtedness or guarantee thereby secured, unless, after giving effect to such creation, issuance, incurrence, assumption or guarantee, the sum of the aggregate amount of all outstanding Secured Debt would not exceed an amount equal to 10% of the Consolidated Net Tangible Assets.

The foregoing restriction on Secured Debt does not apply to and there shall be excluded from Secured Debt in any computation thereof: (i) any Mortgage created on Railway Properties acquired or constructed after the date of the Indenture, within 180 days after the time of purchase or construction and commencement of full operation thereof, whichever is later, as security for the payment of any part of the purchase price or construction cost of such Railway Properties, (ii) in certain cases where the Company or any Subsidiary acquires Railway Properties subject to a pre-existing Mortgage or acquires a corporation with Railway Properties subject to such pre-existing Mortgage or acquires, merges with or is consolidated with a corporation whose shares or indebtedness are subject to a pre-existing Mortgage, (iii) to any conditional sales agreement or other title retention agreement with respect to Railway Properties acquired after the date of the Indenture or (iv) in certain cases, to refundings or renewals of the foregoing or of any Secured Debt of the Company or any of its Subsidiaries outstanding as of the date of the Indenture. As used in such covenant, the term "Railway Properties" means all main and branch lines of railway located in Canada or the United States, including all real property used as the right of way for such lines, and the term "Railroad Subsidiary" means a Subsidiary whose principal assets are Railway Properties. As used in the Indenture, the term "Subsidiary" means a corporation of which the majority of the outstanding voting shares is owned, directly or indirectly, by the Company or by one or more Subsidiaries of the Company; provided that no corporation shall become or shall be deemed to be a Subsidiary of the Company for purposes of the Indenture if, and so long as, the Company does not control such entity by reason of any law, regulation, executive order or other legal requirement, including, without limitation, pursuant to any voting trust or similar arrangement entered into in connection with the acquisition of such corporation by the Company pending regulatory approval of such acquisition, and the term "Consolidated Net Tangible Assets" means, at any date, the total amount of assets of the Company determined on a consolidated basis after deducting all liabilities due within one year, all goodwill, trade names, trademarks, patents, unamortized debt discount and expense and other like intangibles and all appropriate adjustments on account of minority interests of other persons holding stock of the Subsidiaries, as set forth on the most recent consolidated balance sheet of the Company.

Defeasance

The Company (a) will be discharged ("legal defeasance") from any and all obligations in respect of Securities of any series issued pursuant to the Indenture (except for certain obligations including the obligation to register the transfer or exchange of Securities of such series, to replace destroyed, lost or stolen Securities of such series, to maintain paying agencies and to compensate and indemnify the Trustee) or (b) need not comply ("covenant defeasance") with certain covenants including those described above under "Restriction on Secured Debt", and certain Events of Default as specified in the Indenture (such as those arising out of the failure to comply with such covenants) will no longer constitute Events of Default with respect to such series of Securities, in each case upon the irrevocable deposit with the Trustee, in trust, of money and/or securities of or guaranteed by the Government of Canada which, through the payment of interest and principal in respect thereof in accordance with their terms, will provide cash at such times and in such amounts as will be sufficient to pay the principal of (and premium on, if any)

and the interest on the Securities of such series at Stated Maturity (as defined in the Indenture) or upon redemption in accordance with the terms of the Securities of that series (the "Defeasance Trust"). Such defeasances may be effected only if, among other things, the Company has delivered to the Trustee an opinion of counsel or an advance ruling certificate from the Canada Revenue Agency to the effect that holders of the Securities of such series will not recognize gain or loss for Canadian federal income tax purposes as a result of such defeasance and will be subject to taxes in the same manner and at the same times as if such defeasance had not occurred.

Global Securities

Upon original issuance, each series of the Offered Securities will be represented by one or more global securities (the "Global Securities") having an aggregate principal amount equal to that of the Offered Securities of such series represented thereby. Each Global Security will be deposited with, or on behalf of, CDS, as depository, and registered in the name of CDS or its nominee.

Except as described below, the Offered Securities will be issued in "book-entry only" form and must be purchased or transferred through a participant (a "Participant"), acting on behalf of each purchaser acquiring a beneficial interest in the Offered Securities (a "Beneficial Owner") in the depository service of CDS (or another corporation performing similar services that is acceptable to the Trustee, (the "Depository")), which is a book-based system. On the Closing Date, the Trustee will cause the Global Securities to be delivered to the Depository and registered in the name of the Depository or its nominee (the "Nominee"). Each series of the Offered Securities will be evidenced by a single book-entry only certificate. Registration of interests in and transfers of the Offered Securities will be made only through the Depository.

Except as described below and as required by applicable law, the Beneficial Owners will not be entitled to a certificate or other instrument from the Trustee or the Depository evidencing that purchaser's interest therein, and such purchaser will not be shown on the records maintained by the Depository, except through a Participant. Such purchaser will receive a confirmation of purchase from the Agents or other registered dealer from whom Offered Securities are purchased.

Neither the Company nor the Trustee or the Agents will assume any liability for: (i) any aspect of the records relating to the beneficial ownership of the Offered Securities held by the Depository or the payments relating thereto; (ii) maintaining, supervising or reviewing any records relating to the Offered Securities; or (iii) any advice or representation made by or with respect to the Depository and those contained in this prospectus supplement and relating to the rules governing the Depository or any action to be taken by the Depository or at the direction of its Participants. The rules governing the Depository provide that it acts as the agent and depository for the Participants. As a result, Participants must look solely to the Depository and Beneficial Owners must look solely to Participants for the payment of the principal and interest on the Offered Securities paid by or on behalf of the Company to the Depository.

Notwithstanding any provision of the Indenture or the Offered Securities described in this prospectus supplement, no Global Security may be exchanged in whole or in part for Offered Securities registered, and no transfer of a Global Security in whole or in part may be registered, in the name of any person other than the Depository for such Global Security or a nominee thereof unless (A) the Depository (i) has notified the Company that it is unwilling or unable to continue as Depository for such Global Security or (ii) has ceased to be a recognized clearing agency under applicable securities legislation, or otherwise ceases to be eligible to be Depository, and the Company has not appointed a successor, (B) there shall have occurred and be continuing an event of default (as defined in the Indenture) with respect to the Offered Securities represented by such Global Security or (C) there shall exist such circumstances, if any, in addition to or in lieu of the foregoing as have been specified for this purpose as contemplated by the Indenture.

Certain Notices

With respect to any Offered Securities represented by a Global Security, notices to be given to the holders of the Offered Securities will be deemed to have been fully and duly given to the holders when given to CDS, or its nominee, in accordance with CDS's policies and procedures

With respect to any Offered Securities not represented by a Global Security, notices to be given to the holders of the Offered Securities will be deemed sufficient if mailed to the holders within the period prescribed for the giving of such notice.

Neither the failure to give any notice nor any defect in any notice given to a particular holder will affect the sufficiency of any notice given to another holder.

CREDIT RATINGS

The Company's senior unsecured indebtedness currently has a rating of A by Standard & Poor's Financial Services LLC, a subsidiary of The McGraw-Hill Companies, Inc. ("S&P"), A2 by Moody's Investors Service, Inc. ("Moody's") and A by DBRS Limited ("DBRS"). The Company expects that the Offered Securities will be assigned the same ratings by these rating agencies. An A rating by S&P falls within the third highest of ten major rating categories. An A2 rating by Moody's falls within the third highest of nine major rating categories. An A rating by DBRS falls within the third highest of ten major rating categories.

For full particulars on the Company's credit ratings, reference is made to the Company's Annual Information Form dated February 2, 2015 for the year ended December 31, 2014 (incorporated by reference in this prospectus supplement) on pages 20 to 21 under the heading "Ratings of Debt Securities".

Credit ratings are intended to provide investors with an independent measure of the credit quality of an issue of securities. Each rating should be evaluated independently of any other rating. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating agency issuing such rating. Customary payments are made to the rating agencies by the Company in connection with their assessment of the creditworthiness of the Company and associated credit ratings.

PLAN OF DISTRIBUTION

According to the terms and conditions set forth in the agency agreement dated the date of this prospectus supplement among the Company and the Agents (the "Agency Agreement"), the Agents have agreed to act as agents of the Company to offer the Offered Securities for sale to the public on a best efforts basis, if, as and when issued by the Company, subject to compliance with all necessary legal requirements and in accordance with the terms and conditions of the Agency Agreement. The offering price of the Offered Securities was established by negotiation between the Company and the Agents. The Agents will receive a fee equal to \$4.00 for each \$1,000 principal amount of 2025 Notes sold and a fee equal to \$5.00 for each \$1,000 principal amount of 2045 Notes and 2065 Notes sold.

The obligations of the Agents under the Agency Agreement are joint (several) and not solidary (not joint and several) and may be terminated at their discretion upon the occurrence of certain stated events. While the Agents have agreed to use their best efforts to sell the Offered Securities offered under this prospectus supplement, the Agents will not be obligated to purchase any Offered Securities which are not sold. The Agency Agreement also provides that the Company will indemnify the Agents and their respective directors, officers, shareholders and employees against certain liabilities and expenses. Subscriptions for Offered Securities will be received subject to rejection or allotment in whole or in part, and the right is reserved to close the subscription books at any time without notice.

This offering is being made in all the provinces and territories of Canada. No sales of the Offered Securities will be effected in any province or territory of Canada by any Agent not duly registered as a securities dealer under the laws of such province, other than sales effected pursuant to an exemption from the registration requirements under the laws of such province or territory.

Pursuant to policy statements of certain securities regulators, the Agents may not, throughout the period of distribution, bid for or purchase Offered Securities. The policy statements allow certain exceptions to the foregoing prohibitions. The Agents may only avail themselves of such exceptions on the condition that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Offered Securities. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules for Canadian Marketplaces of the Investment Industry Regulatory Organization of Canada, relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. Pursuant to the first mentioned exception, in connection

with the offering, the Agents may over-allot or effect transactions which stabilize or maintain the market price of the Offered Securities at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time.

The Offered Securities are a new issue of securities with no established trading market. The Offered Securities will not be listed on any securities exchange or on any automated dealer quotation system. The Agents may make a market in the Offered Securities after completion of the offering, but will not be obligated to do so and may discontinue any market making activities at any time without notice. No assurance can be given as to the liquidity of the trading market for the Offered Securities or that an active public market for the Offered Securities will develop. If an active public trading market for the Offered Securities does not develop, the market price and liquidity of the Offered Securities may be adversely affected.

The Offered Securities have not been and will not be registered under the U.S. Securities Act or any state securities laws. Accordingly, the Offered Securities may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws.

RELATIONSHIP BETWEEN THE COMPANY AND THE AGENTS

Certain of the Agents have performed investment banking, commercial banking and advisory services for the Company from time to time for which they have received customary fees and expenses. The Agents may, from time to time, engage in transactions with and perform services for the Company in the ordinary course of their business.

Each of the Agents (the "Connected Agents") is an affiliate of a bank which is a member of a syndicate of financial institutions that has made available to the Company a revolving credit facility. In addition, the Company has entered into bilateral letter of credit facility agreements with a number of the banks affiliated to the Connected Agents, under which \$485 million of letters of credit was issued as at June 30, 2015. Accordingly, under applicable Canadian securities laws, the Company may be considered a "connected issuer" to the Connected Agents. The Company is not in default of its obligations to such financial institutions. The decision to issue the Offered Securities and the determination of the terms of the distribution were made through negotiation between the Company, on the one hand, and the Agents, on the other hand. The banks of which the Connected Agents are respectively affiliates did not have any involvement in such decision or determination. The Agents will not receive any benefit in connection with this offering other than a portion of the Agents' fees payable by the Company under the offering.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Stikeman Elliott LLP, counsel to the Company, and Norton Rose Fulbright Canada LLP, counsel to the Agents, the following is, at the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to a purchaser who acquires Offered Securities pursuant to this offering and who, at all relevant times for purposes of the application of the Income Tax Act (Canada) (the "Tax Act"), is, or is deemed to be resident in Canada, deals at arm's length with, and is not affiliated with, the Company and holds such Offered Securities as capital property (a "Resident Holder"). The Offered Securities will generally be considered to be capital property for this purpose to a Resident Holder unless either the Resident Holder holds such Offered Securities in the course of carrying on a business, or the Resident Holder has held or acquired such Offered Securities in a transaction or transactions considered to be an adventure in the nature of trade. Certain Resident Holders whose Offered Securities might not otherwise qualify as capital property may, in certain circumstances, treat such Offered Securities as capital property by making an irrevocable election pursuant to subsection 39(4) of the Tax Act.

This summary is not applicable to a Resident Holder (i) that is a "financial institution" for purposes of the "mark-to-market" rules, (ii) an interest in which is a "tax shelter investment", (iii) that has made a "functional currency" election under the Tax Act to determine its "Canadian tax results" in a currency other than Canadian currency, or (iv) that has entered into a "derivative forward agreement" in respect of Offered Securities (as all such terms are defined in the Tax Act). Such Resident Holders should consult with their own tax advisors.

This summary is based upon the current provisions of the Tax Act, the regulations promulgated thereunder (the "Regulations") and counsel's understanding of the current published administrative policies and assessing policies of

the Canada Revenue Agency. The summary also takes into account all specific proposals to amend the Tax Act and the Regulations that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "Tax Proposals"), and assumes that all such Tax Proposals will be enacted in the form proposed. No assurance can be given that the Tax Proposals will be enacted as proposed or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policy or assessing practice, whether by way of legislative, judicial or administrative action or interpretation, nor does it address any provincial, territorial or foreign tax considerations.

This summary is of a general nature only, is not exhaustive of all Canadian federal income tax considerations and is not intended to be, nor should it be construed as, legal or tax advice to any particular holder. Holders are urged to consult their own tax advisors concerning the tax consequences to them of an investment in the Offered Securities.

Taxation of Interest on the Offered Securities

A Resident Holder that is a corporation, partnership, unit trust or a trust of which a corporation or a partnership is a beneficiary will generally be required to include in income for a taxation year the amount of interest accrued or deemed to accrue on the Offered Securities to the end of that taxation year or that becomes receivable or is received by it before the end of that taxation year, to the extent such amounts have not otherwise been included in such Resident Holder's income for that taxation year or a preceding taxation year.

Any other Resident Holder, including an individual and a trust (other than a trust described in the preceding paragraph), will be required to include in income for a taxation year any interest on the Offered Securities received or receivable by such Resident Holder in that taxation year (depending upon the method regularly followed by the Resident Holder in computing income) except to the extent that such amount was otherwise included in its income for that taxation year or a preceding taxation year. If such a Resident Holder has not otherwise included in income interest on an Offered Security at periodic intervals of not more than one year, such a Resident Holder will also be required to include in income, for any taxation year that includes an "anniversary day" (as defined in the Tax Act) of the Offered Security, any interest or amount that is considered for the purposes of the Tax Act to be interest on the Offered Security which accrues to the Resident Holder to the end of such day, to the extent that such interest has not otherwise been included in such Resident Holder's income for the taxation year or a preceding taxation year.

Any amount paid by the Company to a Resident Holder as a penalty or bonus because of the redemption or a purchase for cancellation by it of an Offered Security before the maturity thereof (other than in the open market in the manner any such obligation would normally be purchased in the open market by any member of the public), will be deemed to be received by such Resident Holder as interest on the Offered Security and will be required to be included in computing the Resident Holder's income, as described above, at the time of the redemption or purchase for cancellation to the extent that such premium can reasonably be considered to relate to, and does not exceed the value at the time of the redemption or purchase for cancellation of, the interest that, but for the redemption or purchase for cancellation, would have been paid or payable by the Company on the Offered Security for a taxation year of the Company ending after the redemption or purchase for cancellation.

Sale, Redemption or Repayment of the Offered Securities

On a disposition or a deemed disposition of the Offered Securities, including repayment, redemption or purchase by the Company, a Resident Holder will generally be required to include in income for the taxation year in which the disposition occurs the amount of interest accrued or deemed to accrue to the date of disposition, to the extent that such amounts have not otherwise been included in the Resident Holder's income for the taxation year or a preceding taxation year.

In general, a disposition or a deemed disposition of the Offered Securities will give rise to a capital gain (or a capital loss) to the extent that the proceeds of disposition, net of any amount included in the Resident Holder's income as interest, exceed (or are less than) the aggregate of the adjusted cost base of the Offered Securities to the Resident Holder immediately before the disposition or deemed disposition and any reasonable costs of disposition. Any such capital gain (or capital loss) will be subject to the treatment described under the heading "Taxation of Capital Gains and Capital Losses" below.

Taxation of Capital Gains and Capital Losses

In general, one-half of any capital gain (a "taxable capital gain") realized by a Resident Holder in a taxation year will be included in the Resident Holder's income in the taxation year. One-half of any capital loss (an "allowable capital loss") realized by a Resident Holder in a taxation year must be deducted from taxable capital gains realized by the Resident Holder in the same taxation year and allowable capital losses in excess of taxable capital gains may be deducted in any of the three preceding taxation years or in any subsequent year, to the extent and under the circumstances described in the Tax Act.

Additional Refundable Tax

A Resident Holder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional 6 $\frac{2}{3}$ % tax (refundable in certain circumstances) on certain investment income, including amounts in respect of interest and taxable capital gains.

Alternative Minimum Tax

Individuals or trusts (other than certain trusts) may be subject to an alternative minimum tax under the Tax Act upon realizing net capital gains.

Eligibility for Investment

The Offered Securities would, if issued on the date hereof, be qualified investments under the Tax Act and the Regulations for trusts governed by registered retirement savings plans ("RRSPs"), registered retirement income funds ("RRIFs"), registered disability savings plans, registered education savings plans, deferred profit sharing plans (other than a trust governed by a deferred profit sharing plan for which any employer is the Company or is an employer with whom the Company does not deal at arm's length within the meaning of the Tax Act), and tax free savings accounts ("TFSAs").

Notwithstanding the foregoing, if the Offered Securities are "prohibited investments" for a particular TFSA, RRSP or RRIF for purposes of the Tax Act, the holder of the TFSA or annuitant under the RRSP or RRIF, as the case may be, will be subject to a penalty tax under the Tax Act. The Offered Securities will not be "prohibited investments" for these purposes unless the holder of the TFSA or the annuitant under the RRSP or RRIF, as the case may be, (i) does not deal at arm's length with the Company for purposes of the Tax Act, or (ii) has a "significant interest", as defined in the Tax Act, in the Company. Prospective purchasers should consult their own tax advisors regarding their particular circumstances.

LEGAL MATTERS

Certain legal matters will be passed upon for the Company by the Executive Vice-President Corporate Services and Chief Legal Officer of the Company and by Stikeman Elliott LLP and for the Agents by Norton Rose Fulbright Canada LLP.

As of September 14, 2015, the partners and associates of Stikeman Elliott LLP, as a group, and the partners and associates of Norton Rose Fulbright Canada LLP, as a group, each owned beneficially, directly or indirectly, less than 1% of the outstanding common shares of the Company.

INDEPENDENT AUDITORS

KPMG LLP, Montreal, Quebec, is the external auditor who prepared the Reports of Independent Registered Public Accounting Firm to the Shareholders and Board of Directors of the Company on the consolidated balance sheets of the Company as of December 31, 2014 and 2013 and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for each of the years in the two-year period ended December 31, 2014, and the effectiveness of internal control over financial reporting as of December 31, 2014, incorporated by reference in this prospectus supplement and the accompanying prospectus. KPMG LLP is independent of the Company within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation.

CERTIFICATE OF AGENTS

Dated: September 14, 2015

To the best of our knowledge, information and belief, the short form base shelf prospectus of Canadian National Railway Company (the "Prospectus"), together with the documents incorporated in the Prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the Prospectus and this supplement as required by the securities legislation of each of the provinces and territories of Canada.

BMO NESBITT BURNS
INC.

RBC DOMINION
SECURITIES INC.

SCOTIA CAPITAL INC.

TD SECURITIES INC.

(Signed) Gregoire
Baillargeon

(Signed) Patrick
MacDonald

(Signed) James G. Gallant

(Signed) Patrick Scaee

CITIGROUP GLOBAL
MARKETS CANADA INC.

HSBC SECURITIES
(CANADA) INC.

(Signed) Grant Kernaghan

(Signed) David W. Loh

BNP PARIBAS (CANADA)
SECURITIES INC.

DESJARDINS SECURITIES
INC.

MERRILL LYNCH CANADA
INC.

WELLS FARGO SECURITIES
CANADA LTD.

(Signed) Daniel Grenier

(Signed) Pierre J. Alain

(Signed) Jamie W.
Hancock

(Signed) Darin E.
Deschamps

No securities regulatory authority has expressed an opinion about these securities and it is an offense to claim otherwise. This short form base shelf prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

This short form prospectus has been filed under legislation in all provinces and territories of Canada that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.

Information has been incorporated by reference in this short form base shelf prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary, Canadian National Railway Company, 935 de La Gauchetière Street West, Montreal, Quebec H3B 2M9 (telephone: (514) 399-7091), and are also available electronically at www.sedar.com.

SHORT FORM BASE SHELF PROSPECTUS

New Issue

December 3, 2013



CANADIAN NATIONAL RAILWAY COMPANY

CAD\$3,000,000,000

Debt Securities

Canadian National Railway Company (the “Company”) may offer and issue from time to time unsecured debt securities (the “Securities”) in one or more series in an aggregate principal amount not to exceed CAD\$3,000,000,000, or the equivalent, based on the applicable exchange rate at the time of offering, in U.S. dollars or such other currencies or units based on or relating to such other currencies, as shall be designated by the Company at the time of offering.

This prospectus does not qualify the issuance of debt securities in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to one or more underlying interests including, for example, an equity or debt security, a statistical measure of economic or financial performance including, but not limited to, any currency, consumer price or mortgage index, or the price or value of one or more commodities, indices or other items, or any other item or formula, or any combination or basket of the foregoing items.

The specific terms of any offering of Securities will be set forth in a prospectus supplement (a “prospectus supplement”) including, where applicable, the title of the Securities, any limit on the aggregate principal amount of the Securities, the maturity date of the Securities, whether payment on the Securities will be senior or subordinated to the Company’s other liabilities and obligations, whether the Securities will bear interest, the interest rate or method of determining the interest rate, whether any conversion or exchange rights attach to the Securities, whether the Company may redeem the Securities at its option and any other specific terms. The Company reserves the right to include in a prospectus supplement specific variable terms pertaining to the Securities that are not within the descriptions set forth in this prospectus.

All shelf information permitted under applicable laws to be omitted from this prospectus will be contained in one or more prospectus supplements that will be delivered to purchasers together with this prospectus. Each prospectus supplement will be incorporated by reference into this prospectus for the purposes of securities legislation as of the date of the prospectus supplement and only for the purposes of the distribution of the Securities to which the prospectus supplement pertains.

The Company may offer and sell the Securities to or through underwriters or dealers purchasing as principals or through agents. The applicable prospectus supplement will identify each underwriter, dealer or agent engaged by the Company in connection with the offering and sale of the Securities and will set forth the terms of the offering of such Securities and the method of distribution, including, to the extent applicable, the proceeds to the Company from the sale of the Securities, any public offering price, any fees, discounts, commissions or any other compensation payable to underwriters, dealers or agents and any other material terms of the plan of distribution. See “Plan of Distribution”.

In this prospectus, unless the context otherwise indicates, the “Company” refers to Canadian National Railway Company and its subsidiaries.

All dollar amounts referred to in this prospectus are in Canadian dollars unless otherwise specifically expressed.

The Company is a Canadian issuer that is permitted, under a multijurisdictional disclosure system adopted by the United States, to prepare this prospectus in accordance with the disclosure requirements of all the provinces and territories of Canada. Prospective investors in the United States should be aware that such requirements are different from those of the United States.

Prospective investors should be aware that the acquisition of the Securities may have tax consequences both in the United States and in Canada. Such consequences for investors who are resident in, or citizens of, the United States may not be fully described herein or in any applicable prospectus supplement.

The enforcement by investors of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is a Canadian corporation, that a majority of its officers and directors are residents of Canada, that the underwriters may be residents of Canada, that experts named in the registration statement are residents of Canada and that a substantial portion of the assets of the Company and said persons may be located outside the United States.

These securities have not been approved or disapproved by the U.S. Securities and Exchange Commission (the “SEC”) or any U.S. state securities regulator nor has the SEC or any U.S. state securities regulator passed upon the accuracy or adequacy of this prospectus or any applicable prospectus supplement. Any representation to the contrary is a criminal offense.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference into this prospectus from documents filed with securities commissions or similar authorities in Canada. The following documents, filed with the securities commission or other similar authority in each of the provinces and territories of Canada, are incorporated by reference into, and form an integral part of, this prospectus:

- (1) the Annual Information Form of the Company dated February 1, 2013 for the year ended December 31, 2012 (the "AIF");
- (2) the audited consolidated financial statements of the Company for the years ended December 31, 2012 and 2011 and notes related thereto, together with the Report of Independent Registered Public Accounting Firm thereon and on the effectiveness of the Company's internal control over financing reporting;
- (3) the Company's Management's Discussion and Analysis related to the year ended December 31, 2012 (the "2012 MD&A");
- (4) the Company's Management Information Circular dated March 12, 2013 prepared in connection with the Company's annual meeting of shareholders held on April 23, 2013;
- (5) the unaudited interim consolidated financial statements of the Company for the three months and nine months ended September 30, 2013 and notes related thereto; and
- (6) the Company's Management's Discussion and Analysis related to the three months and nine months ended September 30, 2013 (the "Q3 MD&A").

Any document of the type referred to in the preceding paragraph and all material change reports (excluding confidential material change reports) filed by the Company with securities commissions or similar authorities in the provinces and territories of Canada subsequent to the date of this prospectus and prior to the completion or withdrawal of any offering under any prospectus supplement shall be deemed to be incorporated by reference into this prospectus.

Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this prospectus, to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

Upon a new annual information form and the related annual financial statements being filed by the Company with, and, where required, accepted by, the applicable securities regulatory authorities during the currency of this prospectus, the previous annual information form, the previous annual financial statements and all interim financial statements, annual and interim management's discussions and analyses, material change reports and annual filings or information circulars filed prior to the commencement of the Company's fiscal year with respect to which the new annual information form is filed shall be deemed no longer to be incorporated by reference into this prospectus for purposes of future offers and sales of Securities hereunder.

A prospectus supplement containing the specific terms in respect of any Securities, updated disclosure of earnings coverage ratios, if applicable, and other information in relation to the Securities will be delivered to purchasers of such Securities together with this prospectus and will be deemed to be incorporated into this prospectus as of the date of such prospectus supplement, but only for purposes of the offering of such Securities covered by that prospectus supplement.

Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary, Canadian National Railway Company, 935 de La Gauchetière Street West, Montreal, Quebec, H3B 2M9 (telephone: (514) 399-7091), and are also available electronically at www.sedar.com.

AVAILABLE INFORMATION

In addition to its continuous disclosure obligations under the securities laws of the provinces of Canada, the Company is subject to the information requirements of the United States Securities Exchange Act of 1934, as amended (the “Exchange Act”), and in accordance therewith files reports and other information with the SEC. Under the multijurisdictional disclosure system adopted by the United States, such reports and other information may be prepared in accordance with the disclosure requirements of Canada, which requirements are different from those of the United States. Such reports and other information, when filed by the Company in accordance with such requirements, can be inspected and copied at the Public Reference Room maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. The public may obtain information on the operations of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site that contains reports and other information regarding issuers that file electronically with the SEC. The address of that site is <http://www.sec.gov>.

The Company has filed with the SEC a Registration Statement on Form F-10 (the “Registration Statement”) under the United States Securities Act of 1933, as amended (the “Securities Act”), with respect to the Securities and of which this prospectus is a part. This prospectus does not contain all of the information set forth in the Registration Statement, certain parts of which are omitted in accordance with the rules and regulations of the SEC. Reference is made to the Registration Statement and the exhibits thereto for further information with respect to the Company and the Securities.

STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Certain information included in this prospectus and the documents incorporated by reference herein are “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995 and under Canadian securities laws. The Company cautions that, by their nature, forward-looking statements involve risks, uncertainties and assumptions. The Company cautions that its assumptions may not materialize and that current economic conditions render such assumptions, although reasonable at the time they were made, subject to greater uncertainty. These forward-looking statements include, but are not limited to, statements with respect to growth opportunities; statements that the Company will benefit from growth in North American and global economies; the anticipation that cash flow from operations and from various sources of financing will be sufficient to meet debt repayments and future obligations in the foreseeable future; statements regarding future payments, including income taxes and pension contributions; as well as the projected capital spending program. Forward-looking statements could further be identified by the use of terminology such as the Company “believes”, “expects”, “anticipates” or other similar words. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors which may cause the actual results or performance of the Company or the rail industry to be materially different from the outlook or any future results or performance implied by such statements.

Important risk factors that could affect the forward-looking statements include, but are not limited to, the effects of general economic and business conditions; industry competition; inflation, currency and interest rate fluctuations; changes in fuel prices; legislative and/or regulatory developments; compliance with environmental laws and regulations; actions by regulators; various events which could disrupt operations, including natural events such as severe weather, droughts, floods and earthquakes; labor negotiations and disruptions; environmental claims; uncertainties of investigations, proceedings or other types of claims and litigation; risks and liabilities arising from derailments; and other risks detailed from time to time in reports filed by the Company with securities regulators in Canada and the United States. See the section of this prospectus entitled “Risk Factors”.

The Company assumes no obligation to update or revise forward-looking statements to reflect future events, changes in circumstances, or changes in beliefs, unless required by applicable Canadian securities laws. In the event the Company does update any forward-looking statement, no inference should be made that the Company will make additional updates with respect to that statement, related matters, or any other forward-looking statement.

THE COMPANY

Overview

The Company, together with its wholly owned subsidiaries, is engaged in the rail and related transportation business. The Company spans Canada and mid-America, from the Atlantic and Pacific oceans to the Gulf of Mexico, serving the ports of Vancouver, Prince Rupert, B.C., Montreal, Halifax, New Orleans and Mobile, Alabama, and the key cities of Toronto, Buffalo, Chicago, Detroit, Duluth, Minnesota/Superior, Wisconsin, Green Bay, Wisconsin, Minneapolis/St. Paul, Memphis, St. Louis, and Jackson, Mississippi, with connections to all points in North America. The Company's freight revenues are derived from the movement of a diversified and balanced portfolio of goods, including petroleum and chemicals, grain and fertilizers, coal, metals and minerals, forest products, intermodal and automotive.

Additional information about the Company's business is included in the documents incorporated by reference into this prospectus.

The Company's registered and head office is located at 935 de La Gauchetière Street West, Montreal, Quebec, H3B 2M9, and its telephone number is 1-888-888-5909. The Company's common shares are listed for trading on the Toronto Stock Exchange under the symbol "CNR" and the New York Stock Exchange under the symbol "CNI".

USE OF PROCEEDS

Except as may otherwise be set forth in a prospectus supplement, the net proceeds from the sale of Securities will be used for general corporate purposes, including the redemption and refinancing of outstanding indebtedness, share repurchases, acquisitions and other business opportunities.

CONSOLIDATED CAPITALIZATION

On November 7, 2013, the Company issued US\$350,000,000 in principal amount of floating rate notes due 2015 and US\$250,000,000 in principal amount of 4.50% notes due 2043 (the "November 2013 Debt Issuance").

The following table sets forth the consolidated capitalization of the Company as at December 31, 2012 and September 30, 2013 based on U.S. generally accepted accounting principles ("U.S. GAAP") and the latter as adjusted to give effect to the November 2013 Debt Issuance and the use of proceeds therefrom for the repayment of outstanding indebtedness. The consolidated capitalization of the Company does not give effect to the issuance of Securities that may be issued pursuant to this prospectus and any prospectus supplement, since the aggregate principal amounts and terms of such Securities are not presently known.

The data in the table below is derived from, and should be read in conjunction with, the audited consolidated financial statements and the unaudited interim consolidated financial statements of the Company and related notes thereto, respectively, incorporated by reference in this prospectus.

	As at December 31, 2012	As at September 30, 2013	As adjusted as at September 30, 2013
		(in millions)	
Current portion of long-term debt.....	\$ 577	\$ 1,488	\$ 878
Long-term debt.....	6,323	6,010	6,010
November 2013 Debt Issuance ⁽¹⁾	—	—	614
Total debt.....	6,900	7,498	7,502
Shareholders' equity			
Common shares	4,108	4,036	4,036
Accumulated other comprehensive loss	(3,257)	(3,080)	(3,080)
Retained earnings.....	10,167	10,611	10,611
Total shareholders' equity	11,018	11,567	11,567
Total capitalization.....	\$ 17,918	\$ 19,065	\$ 19,069

(1) Converted into Canadian dollars using the following exchange rate: US\$1.00 = \$1.0303 as at September 30, 2013.

EARNINGS COVERAGE RATIOS

The following earnings coverage ratios are calculated for the twelve-month periods ended December 31, 2012 and September 30, 2013 and give effect to the issuance of all long-term debt of the Company and repayment or redemption thereof since the beginning of such twelve month periods and the November 2013 Debt Issuance and the use of proceeds therefrom for the repayment of outstanding indebtedness, as if such transactions had occurred on the first day of such twelve-month periods, respectively. These earnings coverage ratios do not give effect to the issuance of any Securities that may be issued pursuant to this prospectus and any prospectus supplement, since the aggregate principal amounts and the terms of such Securities are not presently known.

	Twelve months ended December 31, 2012	Twelve months ended September 30, 2013
Earnings coverage (U.S. GAAP).....	11.3 times	10.8 times

Earnings coverage is equal to net income before interest and income taxes divided by interest expense on all debt.

Based on U.S. GAAP, the Company's interest expense requirements would have amounted to approximately \$354 million and \$361 million for the twelve-month periods ended December 31, 2012 and September 30, 2013, respectively. Also based on U.S. GAAP, the Company's earnings before interest expense and income taxes for the twelve-month periods ended December 31, 2012 and September 30, 2013 were \$4,000 million and \$3,898 million, respectively, which is 11.3 times and 10.8 times the Company's interest expense requirements for these periods.

If the Company offers Securities having a term to maturity in excess of one year under this prospectus and a prospectus supplement, the prospectus supplement will include earnings coverage ratios giving effect to the issuance of such Securities.

DESCRIPTION OF SECURITIES

The following description sets forth certain general terms and provisions of the Securities. The Company may issue Securities either separately, or together with or upon the conversion of or in exchange for other securities. The particular terms and provisions of each series of Securities the Company may offer will be described in greater detail in the related prospectus supplement which may provide information that is different from this prospectus. The Company reserves the right to include in a prospectus supplement specific variable terms pertaining to the Securities that are not within the descriptions set forth in this prospectus. Senior Securities of the Company may be issued under a senior indenture dated as of July 12, 2013, between the Company and BNY Trust Company of Canada, as trustee (the "Canadian Senior Indenture"), or under a senior indenture dated as of June 1, 1998, as amended and supplemented, between the Company and The Bank of New York Mellon, as trustee (the "U.S. Senior Indenture" and together with the Canadian Senior Indenture, the "Senior Indentures"). Senior Securities issued under the Canadian Senior Indenture will not be offered or sold to persons in the United States. Subordinated Securities may be issued under a subordinated indenture, dated as of June 23, 1999, as amended and supplemented, between the Company and BNY Trust Company of Canada, as trustee (the "Subordinated Indenture"). Securities may also be issued under new indentures between the Company and a trustee or trustees as will be described in a prospectus supplement for such Securities. The Senior Indentures and the Subordinated Indenture are sometimes referred to collectively as the "indentures", and the trustees under the indentures are sometimes referred to collectively as the "trustees".

The following summary of certain provisions of the indentures and the Securities is not meant to be complete and is subject to and qualified in its entirety by the detailed provisions of the indentures. For more information, you should refer to the full text of the indentures and the Securities, including the definitions of certain terms not defined herein, and the related prospectus supplement. Prospective investors should rely on information in the prospectus supplement if it is different from the following information.

Unless otherwise indicated, references to the "Company" in this description of Securities are to Canadian National Railway Company but not to any of its subsidiaries.

General

The indentures do not limit the aggregate principal amount of Securities the Company may issue and do not limit the amount of other indebtedness the Company or any of its subsidiaries may incur. The Company may issue Securities from time to time in separate series. Securities may also be issued pursuant to a medium-term note program. Unless otherwise specified in a prospectus supplement,

- Securities will be unsecured obligations of the Company;
- senior Securities will rank equally with all other unsecured and unsubordinated indebtedness of the Company; and
- subordinated Securities will be subordinate, in right of payment, to all senior indebtedness (as defined in the Subordinated Indenture).

The Company conducts a substantial portion of its operations through its subsidiaries. Claims of creditors of the Company's subsidiaries generally have priority with respect to the assets and earnings of those subsidiaries over the claims of creditors of the Company, including holders of the Securities. The Securities therefore will effectively be subordinated to creditors of the Company's subsidiaries. The Securities will also be subordinated to any liabilities of the Company that are secured by any of the Company's assets including, without limitation, those under capital leases.

A prospectus supplement will describe the following terms of any series of Securities the Company may offer and may include the following:

- the title of the Securities;
- any limit on the aggregate principal amount of Securities that may be issued;
- the date(s) of maturity;
- the rate(s) of interest, if any, or the method of calculation, the date(s) interest will begin to accrue, the date(s) interest will be payable and the regular record date(s) for interest payments or the method for determining such date(s);
- the covenants applicable to the Securities;
- any mandatory or optional sinking fund or analogous provisions;
- the date(s), if, any, and the price(s) at which the Company is obligated, pursuant to any mandatory sinking fund provisions or otherwise, to redeem, or at a holder's option to purchase, such series of Securities and other related terms and provisions;
- the currency or currencies of any payments to be made on the Securities;
- whether or not the Securities will be issued in global form, their terms and the depositary;
- the terms upon which a global note may be exchanged in whole or in part for other Securities;
- the terms, if any, under which the Securities are convertible into common shares or any other security of the Company; and
- any other terms of the series of Securities.

In addition to new issues of Securities, this prospectus may be used in connection with the remarketing of outstanding Securities, in which case the terms of the remarketing and of the remarketed Securities will be set forth in the prospectus supplement.

Conversion or Exchange of Securities

If applicable, the prospectus supplement will set forth the terms on which a series of Securities may be converted into or exchanged for other securities of the Company. These terms will include whether conversion or exchange is mandatory, or is at the option of the holder or of the Company. The Company will also describe in the prospectus supplement how it will calculate the number of securities that holders of Securities would receive if they convert or exchange their Securities.

Events of Default

Under the indentures, an “event of default” with respect to any series of Securities includes any of the following:

- failure to pay any principal or premium, when due;
- failure to pay any interest when due, and this failure continues for 30 days;
- failure to pay any sinking fund installment when due;
- failure to perform any covenant or agreement relating to the Securities or in the applicable indenture, and the failure continues for 90 days (60 days in the case of series of Securities issued under the Subordinated Indenture) after written notice by the trustee or by holders of at least 25% in aggregate principal amount outstanding;
- certain events of bankruptcy, insolvency or reorganization; and
- any other event of default provided for that series of Securities.

If an event of default occurs and is continuing, either the trustee or the holders of at least 25% in principal amount of the outstanding Securities of any series affected by the default, may notify the Company (and the trustee, if notice is given by the holders) and declare that the unpaid principal is due and payable immediately. However, subject to certain conditions, the holders of a majority in aggregate principal amount of the Securities of the affected series can rescind and annul this declaration for accelerated payment. The Company will furnish the trustees with an annual certificate as to compliance with certain covenants contained in the particular indenture.

No event of default with respect to any particular series of securities necessarily constitutes an event of default with respect to any other series of securities. In particular, for each series of securities originally issued prior to November 20, 2012 under the Senior Indentures, an “event of default” also includes the failure to pay principal when due, or acceleration, of any indebtedness of the Company in an aggregate principal amount exceeding \$75 million, and such acceleration is not rescinded or annulled within 30 days after written notice by the trustee or holders of at least 25% in aggregate principal amount outstanding. In addition, for each series of securities originally issued prior to November 20, 2012, an event of default occurs upon the failure to perform any covenant or agreement relating to the securities or in the applicable indenture if the failure continues for 60 days instead of the 90 days for the Securities.

Subordinated Securities

The terms of a series of subordinated Securities will be set forth in the relevant indenture and the prospectus supplement. The subordinated Securities will be unsecured obligations of the Company and will be subordinate in right of payment to Securities issued under the Senior Indentures and certain other indebtedness of the Company.

Satisfaction and Discharge of Indentures

The Company may terminate its obligation with respect to a series of Securities under the indentures if:

- all the outstanding Securities of a series have been delivered to the trustee for cancellation;
- the Company has paid all sums it is required to pay under the respective indenture; or

- the Company deposits with the trustee, in trust, sufficient funds, or governmental securities, to cover payments due on all Securities of such series for principal, premium, if any, and interest and any other sums due under the applicable indenture to the stated maturity date or a redemption date of the Securities.

Such defeasance is subject to the Company meeting certain conditions set forth in the indentures.

Modification and Waiver

The Company and the trustees may modify or amend the indentures by obtaining approval by the holders of at least a majority of the aggregate principal amount of the outstanding Securities of each series that is affected. However, certain changes cannot be made without the consent of the holders of all outstanding Securities affected by such changes. In particular, the holders of all outstanding Securities so affected must consent to changes in:

- the stated maturity date;
- the principal, premium, or interest payments, if any;
- the place or currency of any payment;
- the rights of holders to enforce payment;
- the percentage in principal amount of outstanding Securities of any series, the consent of whose holders is needed to modify, amend or waive certain provisions of the indentures or certain defaults; or
- if applicable, the subordination provisions.

Except as otherwise specified for a series of Securities, the holders of at least a majority in aggregate principal amount of the outstanding Securities of any series issued, can consent, or cause the trustees, on behalf of the holders of the entire series, to waive compliance with certain provisions of the relevant indenture. In addition, holders of at least a majority in principal amount of the outstanding Securities of a series can consent to, or cause the trustees to waive any past default under the relevant indentures, except for the following:

- a default in any payments due under the relevant indenture; and
- a default under an indenture provision that can be modified or amended only with the consent of each holder of an outstanding series of Securities.

For each series of securities originally issued under the U.S. Senior Indenture prior to November 20, 2012, consent of the holders of at least $66\frac{2}{3}$ in aggregate principal amount of the outstanding securities of that series is required for modifications, amendments or waivers.

Consolidation, Merger and Sale of Assets

Each indenture provides that the Company may consolidate, amalgamate or merge with or into any other corporation or sell, convey or lease all or substantially all of its property to any other corporation authorized to acquire and operate the same; provided that upon any such consolidation, amalgamation, merger, sale, conveyance or lease, (i) the successor entity (if other than the Company) is organized under the laws of a Canadian or U.S. jurisdiction; (ii) the payment of the principal and premium, if any, and interest on all of the Securities according to their terms, and the performance of all the covenants and conditions under that indenture to be performed by the Company, shall be expressly assumed, by supplemental indenture satisfactory to the relevant trustee, by the corporation (if other than the Company) formed by such consolidation or amalgamation, or into which the Company shall have been merged, or by the corporation which shall have acquired or leased such property; and (iii) no event of default or event that could give rise to an event of default will have occurred and be continuing.

Restrictions on Secured Debt

The Company has covenanted in the Senior Indentures that it will not, nor will it permit a subsidiary to, create, issue, incur, assume or guarantee, any indebtedness for money borrowed, or guarantees of such indebtedness, now or hereafter existing which is secured by any mortgage, pledge, hypothec, lien, security interest, privilege, conditional

sale or other title retention agreement or similar encumbrance (a “Mortgage”) on any present or future Railway Properties of the Company or on any shares of stock of any Railroad Subsidiary (“Secured Debt”), without first making effective provision whereby all outstanding Securities issued thereunder shall be secured by the Mortgage equally and ratably with such other indebtedness or guarantee thereby secured unless, after giving effect to such creation, issuance, incurrence, assumption or guarantee, the sum of the aggregate amount of all outstanding Secured Debt of the Company and its subsidiaries would not exceed an amount equal to 10% of the Consolidated Net Tangible Assets. For Secured Debt that provides for an amount less than the principal amount thereof to be due and payable upon the acceleration of its final maturity, the principal amount of the Secured Debt at any time its principal amount is measured shall be the principal amount due and payable on the Secured Debt if the Secured Debt were to be accelerated at that time. The negative pledge covenant is also subject to certain exceptions. For example, this restriction excludes any Mortgage upon Railway Properties existing or created at the time the Railway Properties are acquired, or Mortgages existing on the shares or to secure indebtedness of a corporation at the time such corporation becomes a subsidiary, and any extension, renewal or replacement of any such Mortgage. As used in such covenant, the term “Railway Properties” means all main and branch lines of railway located in Canada or the United States, including all real property used as the right of way for such lines; the term “Railroad Subsidiary” means a subsidiary whose principal assets are Railway Properties; the term “subsidiary”, subject to certain exceptions, means a corporation a majority of the outstanding voting shares of which are owned, directly or indirectly, by the Company or by one or more subsidiaries of the Company, or by the Company and one or more subsidiaries of the Company; and the term “Consolidated Net Tangible Assets” means, at any date, the total amount of assets of the Company determined on a consolidated basis after deducting all liabilities due within one year, all goodwill, trade names, trademarks, patents, unamortized debt discount and expenses and other like intangible and all appropriate adjustments on account of minority interests of other persons holding stock of the subsidiaries, as set forth or reflected on the most recent consolidated balance sheet of the Company. The 10% of the Consolidated Net Tangible Assets exclusion does not apply in the case of series of securities originally issued under the Senior Indentures prior to November 20, 2012.

PLAN OF DISTRIBUTION

The Company may sell the Securities to or through underwriters or dealers purchasing as principals or through agents.

The applicable prospectus supplement will identify each underwriter, dealer or agent engaged by the Company in connection with the offering and sale of the Securities and will set forth the terms of the offering of such Securities and the method of distribution, including, to the extent applicable, the proceeds to the Company from the sale of the Securities, any public offering price, any fees, discounts, commissions or any other compensation payable to underwriters, dealers or agents and any other material terms of the plan of distribution. Any initial public offering price and any fees, discounts, commissions or any other compensation payable to underwriters, dealers or agents may be changed from time to time. Unless otherwise set forth in the prospectus supplement relating thereto, the obligations of the underwriters to purchase the Securities will be subject to certain conditions and the underwriters will be obligated to purchase all of the Securities if any are purchased.

The Securities may be sold from time to time in one or more transactions at a fixed price or prices which may be changed or at market prices prevailing at the time of sale, or at prices related to such prevailing market prices or at negotiated prices.

Underwriters, dealers and agents who participate in the distribution of the Securities may be entitled under agreements to be entered into with the Company to indemnification by the Company against certain liabilities, including liabilities under securities legislation, or to contribution with respect to payments which such underwriters, dealers or agents may be required to make in respect thereof. Such underwriters, dealers and agents may be customers of, engage in transactions with or perform services for, the Company in the ordinary course of business.

One or more firms, referred to as “remarketing firms”, may also offer or sell Securities, if the prospectus supplement so indicates, in connection with a remarketing arrangement upon their purchase. Remarketing firms will act as principals for their own accounts or as agents for the Company. These remarketing firms will offer or sell the Securities pursuant to the terms of the Securities. The prospectus supplement will identify any remarketing firm and the terms of its agreement, if any, with the Company and will describe the remarketing firm’s compensation. Remarketing firms may be deemed to be underwriters in connection with the Securities they remarket. Remarketing

firms may be entitled under agreements that may be entered into with the Company to indemnification by the Company against certain civil liabilities, including liabilities under securities legislation, or to contribution in respect thereof, and may be customers of, engage in transactions with or perform services for the Company in the ordinary course of business.

RISK FACTORS

Investment in the Securities is subject to a number of risks. Before deciding whether to invest in any Securities, prospective investors should carefully consider the information contained in, or incorporated by reference in, this prospectus, including, without limitation, the risks identified and discussed in the AIF, the 2012 MD&A and the Q3 MD&A of the Company which are incorporated by reference in this prospectus and those described or incorporated by reference in a prospectus supplement relating to a specific offering of Securities.

TAXATION

The applicable prospectus supplement will describe the material Canadian and United States federal income tax consequences to an initial investor acquiring the Securities, including whether payments of principal, premium, if any, and interest in respect of the Securities will be subject to Canadian non-resident withholding tax and any such consequences relating to Securities payable in a currency other than United States dollars, Securities that are issued at an original issue discount or subject to early redemption or other special terms.

LEGAL MATTERS

Unless otherwise specified in the prospectus supplement relating to a particular offering of Securities, certain legal matters will be passed upon for the Company by the Executive Vice-President Corporate Services and Chief Legal Officer of the Company. The validity of Securities governed by New York law will be passed upon for the Company by Davis Polk & Wardwell LLP, New York, New York. Davis Polk & Wardwell LLP may rely on the opinion of the Executive Vice-President Corporate Services and Chief Legal Officer of the Company as to all matters of Canadian federal and Quebec laws.

ENFORCEMENT OF JUDGMENTS AGAINST FOREIGN PERSONS

Michael R. Armellino, Donald J. Carty, Ambassador Gordon D. Giffin, Edith E. Holiday, V. Maureen Kempston Darkes and James E. O'Connor, directors of the Company, reside outside of Canada. They will appoint Canadian National Railway Company, 935 de La Gauchetière Street West, Montreal, Quebec H3B 2M9, attention Corporate Secretary, as agent for service of process in Canada. Purchasers are advised that it may not be possible for investors to enforce judgments against any person that resides outside of Canada, even if the party has appointed an agent for service of process.

INDEPENDENT AUDITORS

KPMG LLP, Montreal, Quebec, is the external auditor who prepared the Reports of Independent Registered Public Accounting Firm to the Shareholders and Board of Directors of the Company on the consolidated balance sheets of the Company as of December 31, 2012 and 2011 and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for each of the years in the three-year period ended December 31, 2012, and the effectiveness of internal control over financial reporting as of December 31, 2012, incorporated by reference in this prospectus. KPMG LLP is independent of the Company within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation.

ENFORCEABILITY OF CIVIL LIABILITIES UNDER THE U.S. FEDERAL SECURITIES LAWS

The Company is a Canadian company and is governed by the laws of Canada. A substantial portion of its assets are located outside the United States and a majority of its directors and officers and of the experts named herein are residents of Canada. As a result, it may be difficult for investors to effect service within the United States upon the Company and those directors, officers and experts, or to realize in the United States upon judgments of courts of the United States predicated upon civil liability of the Company and such directors, officers or experts under the United States federal securities laws. The Company has been advised by its Chief Legal Officer that there

is doubt as to the enforceability in a Canadian court in original actions, or in actions to enforce judgments of United States courts, of civil liabilities predicated upon United States federal securities laws.

DOCUMENTS FILED AS PART OF THE REGISTRATION STATEMENT

The following documents have been filed with the SEC as part of the Registration Statement of which this prospectus is a part: (i) the documents listed in the first paragraph under “Documents Incorporated by Reference”; (ii) the consent of KPMG LLP, independent registered public accounting firm; (iii) powers of attorney from directors and officers of the Company; (iv) the U.S. Senior Indenture, the Canadian Senior Indenture and the Subordinated Indenture; and (v) Form T-1 Statement of Eligibility under the Trust Indenture Act of 1939 of The Bank of New York Mellon, as trustee under the U.S. Senior Indenture.

STATUTORY RIGHTS

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for the particulars of these rights or consult with a legal advisor.

CERTIFICATE OF THE COMPANY

Dated: December 3, 2013

This short form prospectus, together with the documents incorporated herein by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Nunavut and Yukon.

(Signed) CLAUDE MONGEAU
President and Chief Executive Officer

(Signed) LUC JOBIN
Executive Vice-President and
Chief Financial Officer

On behalf of the Board of Directors

(Signed) A. CHARLES BAILLIE
Director

(Signed) DENIS LOSIER
Director