



Midland Engineering, Ltd.

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November 13, 2015

Christine Gatti
Canadian National
935 de La Gauchetiere Street West
Montreal, Quebec H3B 2M9

Via email: christine.gatti@cn.ca

Re: RCMS® Certification audit of Canadian National in Montreal, Quebec,
to the ACC Rail Option technical specification
Midland Engineering Limited # MELKM 1504-221

Dear Ms. Gatti,

Following are the findings of the RCMS® Certification audit conducted at Canadian National in Montreal, Quebec, on November 10 – 12, 2015, by Kevin Mayo - CPEA and Wayne Winslow - CPEA. Mr. Mayo and Mr. Winslow are certified Responsible Care® auditors and Midland Engineering Ltd. (MEL) is an approved Audit Service Provider through BEAC (Board of Environmental Health and Safety Auditor Certification).

Scope:

The scope of the audit included all EHS&S activities at Canadian National.

GENERAL BACKGROUND AND INFORMATION

Opinions:

RCMS® audit opinion options are defined by the ACC as either a “Pass” or “Requires Additional Work”.

Audit findings definition:

Audit findings are ranked as major or minor.

- Major findings will have to be corrected before a “Pass” rating will be given.
- Minor findings will need a good corrective action plan with time targets in place before a “Pass” rating will be given. Note: for this to be acceptable, the site must have a functioning system that tracks audit findings to closure. This was found to be the case during the subject audit.

Client response:

The site has 30 days from the receipt of the draft audit report (from MEL) to respond to the findings (by filling in the appropriate boxes – see below) with a documented corrective action plan for each finding.

Certificate of conformance:

When a site or headquarters for a specific company has received a “Pass”, a certificate of conformance to the RCMS® management system specification will be issued to the facility by MEL listing the facility by name and address.

Reporting certification status to the ACC:

The client shall be responsible to report its Certification status to ACC annually as part of ACC’s mandatory performance reporting requirements. It shall also communicate to ACC when it has achieved its RC Certification requirements for each cycle. This latter communication shall not be sent until the Organization has effectively completed follow up needed to address non-conformances.

Client disputes & disagreements:

Should a client have a dispute regarding an audit finding or disagree with either process or procedure, these will be considered to be high priority issues and will be addressed promptly. Every attempt will be made to quickly and appropriately resolve the issue. If resolution attempts fail, MEL will notify BEAC of the issue. MEL will continue to work with BEAC and the client until the issue has been fully resolved.

AUDIT RESULTS AND REPORT

Management System Strengths:

- The Emergency Response Planning Manual for Prince Rupert to Prince George Corridor is a best practice.
- Structure Community Engagement Program. Best Practice.
- Safety Management Plan and Expectations for Leaders process.
- Safety Management System

- Quantity and detail of EHS&S metrics

Non Conformance Summary (detailed findings are included below):

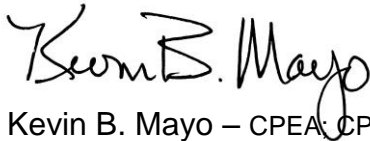
There were no major or minor audit findings.

Client Response: As there were no audit findings there is no response required from Canadian National.

Opinion: Canadian National receives a Pass audit opinion.

Further Follow-up: There is no required follow-up.

Sincerely,



Kevin B. Mayo – CPEA, CPSA
Vice President
Midland Engineering Limited
720 W. Wackerly
Midland, MI 48640

This information is based upon management system documentation, conditions and practices observed and the data made available at the time of its collection. Unless otherwise stated in writing, our personnel, publications, services, and surveys do not address life safety or third-party liability issues. The provision of auditing service is not meant to imply that every possible deficiency has been identified at a facility or that no other deficiencies exist. MEL does not assume and shall have no liability for the control, correction, continuation or modification of any existing procedures conditions or operations.