

## CANADIAN PACIFIC RAILWAY

### CODE OF ETHICS FOR CHIEF EXECUTIVE OFFICER AND SENIOR FINANCIAL OFFICERS

This Code of Ethics (the “Code”) summarizes long-standing principles of conduct followed by Canadian Pacific Railway to ensure that its business is conducted with integrity and in compliance with applicable law.

#### Application

The Code applies to the Chief Executive Officer, the Chief Financial Officer and the Comptroller of Canadian Pacific Railway Limited (“CPRL”) and Canadian Pacific Railway Company (“CPRC”). These individuals are collectively referred to herein as the “Covered Officers”. CPRL and CPRC are collectively referred to herein as (“CP”).

#### Code of Business Ethics

This Code is in addition to CP’s general Code of Business Ethics, with which all Covered Officers shall also comply.

#### Obligations of Covered Officers

The provisions of the Code and of CP’s general Code of Business Ethics, which applies to all employees, officers and directors of CP and its subsidiaries, are mandatory, and full compliance is expected under all circumstances. Both codes are statements of goals and expectations for individual and business conduct on behalf of CP. The matters expressly dealt with are indicative of CP’s commitment to the maintenance of high standards of conduct and are to be considered prescriptive of the type of behavior expected from those to whom they apply in all circumstances. All Covered Officers are expected to comply with the spirit and intent of these codes and to make themselves aware of, and comply with, relevant laws, CP policies and other standards governing their conduct. These codes should be used as tools to provide direction and assistance in the fulfillment of their responsibilities to CP.

Neither this Code nor CP’s general Code of Business Ethics is intended to, and does not in any way, constitute an assurance of continued employment. CP does not create any contractual rights by issuing these codes.

#### Distribution and Acknowledgment

Each Covered Officer is accountable for knowing and adhering to the provisions of this Code and CP’s general Code of Business Ethics. Copies of both codes shall be provided to each Covered Officer at the later of the date of adoption of each such code and the time of his or her initial employment. As a prerequisite to such initial or continued employment,

as applicable, the Covered Officer shall acknowledge in writing that he or she has read and understands the codes, is not in breach thereof, and accepts that his or her continued employment with CP is conditional upon compliance with the standards and requirements set forth therein. Both codes shall also be distributed periodically to the Covered Officers, each of whom shall provide further written acknowledgements of the foregoing at such times.

#### Monitoring Compliance, Reporting and Violations

The Code has been approved by the Audit Committee of the Board of Directors of CPRL. Issues relating to compliance with the Code shall be monitored by and reported to the Committee and, as necessary, to the full Board by the Internal Audit Department of CP.

All violations of this Code or of CP's general Code of Business Ethics by any Covered Officer shall be reported to CP's confidential, anonymous and independently managed A-Line, Legal Services, the Office of the Corporate Secretary, or the Internal Audit Department. The Chairman of the Audit Committee shall be promptly notified of such reports.

#### Disciplinary Action

Any Covered Officer who violates the letter or spirit of the Code or of CP's general Code of Business Ethics may be subjected to disciplinary action, up to and including dismissal.

#### Posting on CP's Web Site

The Code shall be posted on CP's public web site at [www.cpr.ca](http://www.cpr.ca).

#### Numbering of Code Provisions

The numbering of the provisions in this Code is for convenience only and does not reflect their relative significance. All provisions of the Code are of equal importance.

#### Amendment or Waiver

This Code may be amended or waived only by the Board of Directors of CPRL or the Audit Committee. Disclosure of any amendment, modification or waiver, whether explicit or implicit, of any provision of either the Code or CP's general Code of Business Ethics applicable to the Covered Officers shall be provided in accordance with, and to the extent required by, applicable Canadian and foreign securities laws.

## CODE PROVISIONS

Each Covered Officer shall:

1. take all reasonable steps to ensure the full, fair, accurate, timely and understandable disclosure of information in reports and documents that CP files with, or submits to, applicable Canadian and foreign securities regulating authorities, including, but not limited to, the United States Securities and Exchange Commission, and in other public communications made by CP;
2. promptly bring to the attention of the Audit Committee any material information of which he or she becomes aware that affects the disclosures made by CP in its public filings or otherwise would assist the Audit Committee in fulfilling its responsibilities as specified in CP's disclosure controls and procedures;
3. promptly bring to the attention of the Audit Committee any information he or she may have concerning: (a) significant deficiencies in the design or operation of internal controls that could adversely affect CP's ability to record, process, summarize or report financial data; or (b) any fraud, whether or not material, involving management or other employees who have a significant role in CP's financial reporting, disclosure or internal controls;
4. act in his or her capacity on behalf of CP in good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts or allowing his or her independent judgment to be subordinated, and in compliance with all applicable laws, rules and regulations;
5. conduct all activities on behalf of CP in an honest and ethical manner, including the ethical handling of actual or apparent conflicts of interest between the Covered Officer's personal and professional relationships;
6. take all reasonable steps to proactively promote and support ethical behavior and adherence to this Code and CP's general Code of Business Ethics by CP employees, including, but not limited to, developing and communicating policies and directives from time to time that are designed to maintain and promote adherence to the general principals and standards outlined in such codes; and
7. be responsible in the use of, and control over, all corporate assets and resources employed by, or entrusted to, him or her by CP.

ACKNOWLEDGMENT BY COVERED OFFICERS

I acknowledge that I have received and read the foregoing Code, and I understand its provisions. I declare that I am not now in breach of the Code and acknowledge and accept that my continued employment with CP is conditional upon my compliance therewith.

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Name (print)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Position

\_\_\_\_\_  
Location

\_\_\_\_\_  
Date