CANADIAN PACIFIC KANSAS CITY LIMITED

AND

CANADIAN PACIFIC RAILWAY COMPANY

RISK AND SUSTAINABILITY COMMITTEE

TERMS OF REFERENCE

*The term "**Corporation**" refers to each of Canadian Pacific Kansas City Limited ("**CPKC**") and Canadian Pacific Railway Company ("**CPRC**"), and the terms "**Board**," "**Directors**", "**Board of Directors**" and "**Committee**" refer to the Board, Directors, Board of Directors, or Committee of CPKC or CPRC, as applicable.*

A. Committee and Procedures

1. Purpose

The Risk and Sustainability Committee (the "**Committee**") of the Board of Directors is established to assist the Board in its oversight responsibilities with respect to:

- The Corporation's strategic and integrated risk practices;
- The robustness of the Corporation's safety and environmental processes and systems; and
- The long-term sustainability model for the conduct of the Corporation's business.

2. Composition of Committee

The Committee is composed of not less than three Directors, none of whom is either an officer or employee of the Corporation or any of its subsidiaries. All members of the Committee shall meet all requirements and guidelines for risk and sustainability committee service including, being independent and unrelated to the Corporation, as set forth in applicable securities laws and the rules of any stock exchange on which the Corporation's securities are listed for trading. Determinations as to whether a particular Director satisfies the requirements for membership on the Committee shall be affirmatively made by the full Board.

3. Appointment of Committee Members

Members of the Committee will be appointed from time to time by the Board and will hold office at the pleasure of the Board.

4. Vacancies

Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board. The Board will fill a vacancy whenever necessary to maintain a Committee membership of at least three Directors.

5. Committee Chair

The Board shall appoint a Chair for the Committee.

6. Absence of Committee Chair

If the Chair of the Committee is not present at any meeting of the Committee, one of the other members of the Committee who is present at the meeting shall be chosen by the Committee to preside at the meeting.

7. Secretary of Committee

The Committee shall appoint a Secretary who need not be a Director of the Corporation.

8. Meetings

The Committee will meet at regularly scheduled meetings at least once every quarter (or when the board has in person meetings during the year) and will meet at such other times during each year as it deems appropriate. In addition, the Chair of the Committee or the Chair of the Board or any two of its other members may call a meeting of the Committee at any time.

9. Quorum

Three members of the Committee constitute a quorum.

10. Notice of Meetings

Notice of the time and place of every meeting shall be given in writing by any means of recorded communication, including via e-mail, via a secured board portal such as Diligent Boards or by other electronic means that produces a written copy, to each member of the Committee at least 24 hours prior to the time fixed for such meeting; provided however, that a member may in any manner waive a notice of a meeting. Attendance of a member at a meeting constitutes a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

11. Attendance of Others at Meetings

At the invitation of the Chair of the Committee, other individuals who are not members of the Committee may attend any meeting of the Committee.

12. Procedure, Records and Reporting

Subject to any statute or articles and by-laws of the Corporation, the Committee shall fix its own procedures at meetings, keep records of its proceedings and report to the Board when the Committee may deem appropriate (but not later than the next regularly scheduled meeting of the Board and not less than annually).

13. Review of Terms of Reference

The Committee shall review and reassess the adequacy of these Terms of Reference annually or otherwise as it deems appropriate and recommend changes to the Board.

B. **Mandate of Committee**

The Committee, in fulfilling its role in overseeing the Corporation's risk and sustainability strategy, shall:

Strategic and Integrated Risk Practices

(a) review the Corporation's strategic policies, practices and procedures for management to identify and manage the Corporation's risks;

(b) review management's identification of the Corporation's strategic risks and implementation of appropriate strategies to manage or mitigate risks; and

(c) review the Corporation's program to obtain appropriate insurance to mitigate or transfer risks.

Safety and Environmental Processes and Systems

(d) review with management the Corporation's strategies, performance and objectives for its safety management system and environmental risk management;

(e) receive updates on safety and environmental matters prepared by management and discuss with the Board any material issues.

Sustainability

(f) review the Corporation's short- and long-term sustainability objectives, and results of any internal and external stakeholder engagement, and report to the Board;

(g) review the Corporation's performance against its short- and long-term sustainability objectives, and review the Corporation's plans to improve its performance with respect to sustainability practices and reporting.

(h) review strategic plans and opportunities for the Corporation, to align its sustainability objectives and with long-term sustainability considerations including climate change, workforce risks and supply chain risks.

(i) monitor and report to the Board on significant emerging trends, risks or issues related to sustainability relevant to the Corporation;

Other

(j) perform other activities, consistent with these Terms of Reference, the Corporation's articles and by-laws and governing law, as the Committee or the Board deems appropriate;

(k) report regularly to the Board on the activities of the Committee; and

(l) consider key initiatives and updates on regulatory, government affairs, communications and legal matters, including significant litigation.