

CANADIAN PACIFIC RAILWAY

DISCLOSURE AND INSIDER TRADING/REPORTING POLICY

Approved by the Board: January 28, 2020

OBJECTIVES AND SCOPE OF POLICY

Canadian Pacific Railway Limited and its subsidiary, Canadian Pacific Railway Company (collectively, "CP"), have publicly traded securities and, therefore, must comply with certain legal and regulatory requirements regarding the public disclosure of material information and their directors, officers and employees must comply with insider trading and reporting requirements. Accordingly, the Board of Directors has adopted this Disclosure and Insider Trading/Reporting Policy (this "Policy").

The purposes of disclosure and insider trading and reporting laws are to:

- create a level playing field for all investors;
- provide the market with timely, accurate and complete disclosure of information regarding public companies to allow investors to make informed investment decisions; and
- prevent insiders of public companies from unfairly benefiting from, or assist others in unfairly benefiting from, inside information.

The objectives of this Policy are, therefore:

- to ensure that communications to the investing public about CP are:
 - timely, factual and accurate, and
 - broadly disseminated in accordance with all applicable legal and regulatory requirements; and
- to provide the directors, officers and employees of CP with guidelines regarding trading in securities of Canadian Pacific Railway Limited and Canadian Pacific Railway Company.

The provisions in this Policy relating to public disclosure cover, among other things:

- documents filed with securities regulators;
- written statements made in CP's annual and quarterly reports, news releases, letters to shareholders and any other public disclosure documents;
- presentations by senior management of CP;
- information contained on CP's Web site and other electronic communications, including on social media;
- oral statements made in meetings, telephone conversations and other communications with analysts, investors, investment bankers and other market professionals;
- interviews with the media, speeches, press conferences and conference calls; and
- other oral statements made in circumstances in which a reasonable person would believe that the information contained in the statement will become generally disclosed.

APPLICATION OF POLICY

This Policy applies to all directors, officers, employees and consultants of CP and its affiliates and subsidiaries, in each case including any legal entities over which any of such individuals exercise control or direction.

CONSEQUENCES OF NON-COMPLIANCE WITH POLICY

Failure to comply with this Policy may result in severe consequences, which could include civil and criminal penalties and internal disciplinary action, or termination of employment or consulting engagement, as applicable.

* * *

If you have any questions about how this Policy should be followed in a particular case, please contact the Chief Legal Officer and Corporate Secretary or the Assistant Corporate Secretary.

CANADIAN PACIFIC RAILWAY

DISCLOSURE AND INSIDER TRADING/REPORTING POLICY

Basic Rules

The following is a brief summary of the rules contained in CP's Disclosure and Insider Trading/Reporting Policy. All directors, officers and employees of CP are required to review and comply with this Policy. In this Policy, CP means, collectively, Canadian Pacific Railway Limited, Canadian Pacific Railway Company and all of their respective affiliates and subsidiaries. The Policy follows this summary.

Failure to comply with this Policy may result in severe consequences, which could include civil and criminal penalties and internal disciplinary action or termination of employment or consulting engagement, as applicable.

DISCLOSURE POLICY COMMITTEE

The Board of Directors of CP has established a Disclosure Policy Committee, which is responsible for overseeing CP's disclosure practices and procedures. The Disclosure Policy Committee consists of three principal voting members:

- the Chief Legal Officer and Corporate Secretary
- the Executive Vice-President and Chief Financial Officer
- the Senior Vice-President and Chief Risk Officer

Additionally, the Committee includes advisory members who may be consulted in advance of any unscheduled disclosures, consisting of the individual employees responsible for investor relations, strategic planning and financial reporting.

PRINCIPLES OF PUBLIC DISCLOSURE OF MATERIAL INFORMATION

All material information relating to CP will be publicly disclosed by CP on a timely basis, except in the limited circumstances permitted by this Policy.

CP will not selectively disclose any material information, including any report that operating or earnings results will be materially below or above publicly held expectations.

INSIDER TRADING RESTRICTIONS AND BLACKOUT PERIODS

No director, officer, employee or consultant of CP may purchase or sell, or otherwise trade, securities of Canadian Pacific Railway Limited or Canadian Pacific Railway Company with knowledge of material non-public information relating to CP and no such person may disclose to someone else material non-public information relating to CP ("tipping"), except where such disclosure is in the necessary course of business. In addition, no such person shall recommend or encourage another person or company to purchase or sell securities of CP or enter into a transaction involving a security the value of which is derived from, or varies materially, with the market price of CP securities.

For the purposes of this policy and applicable securities laws (including insider reporting), trading in "securities" of a company shall be deemed to include (a) any sale of the company's securities pursuant to the exercise of stock options or "cashless" exercise of stock options, and (b) trading any interest in, or right or obligation associated with, a related financial instrument, being (i) a derivative security/instrument that is not issued by a company but is based on or whose value is derived by

reference to securities of a company or (ii) an instrument to which a person is a party, the effect of which is to alter such person's economic exposure to a company.

A quarterly prescribed blackout period will begin on the third business day following the end of each financial quarter or year, as applicable, and will terminate on the later of one clear business day after a news release is issued disclosing the quarterly or annual results, as applicable, or confirmation from the Executive Vice-President and Chief Financial Officer that there is no material non-public information relating to CP's financial results and that the blackout can be terminated. During this period, no director or senior employee (Vice-President and above) and no other person involved in the preparation of, or having actual knowledge of material non-public financial or other information to be contained in, CP's quarterly or annual financial statements may purchase or sell, or otherwise trade, securities of Canadian Pacific Railway Limited or Canadian Pacific Railway Company.

No director, officer, employee or consultant of CP may purchase or sell, or otherwise trade, or encourage or recommend that another person trade, securities of any other company if such individual has actual knowledge that CP is doing business, or proposes or is considering or evaluating doing business or engaging in a significant transaction with that company, and if such individual:

- (a) has actual knowledge of material non-public information relating to that other company; or
- (b) has received a notification from the Office of the Corporate Secretary implementing a trading blackout with respect to that other company as a result of CP's actual or potential relationship with it,

and, under the circumstances set out above, no such person may disclose to someone else material non-public information relating to that other company, except where such disclosure is in the necessary course of business.

**PRE-CLEARANCE OF
TRADES BY DIRECTORS
AND SENIOR EMPLOYEES**

To assist in preventing even the appearance of an improper insider trade, **directors and senior employees (Vice President and above) require pre-clearance in advance of trading in securities of CP.**

If you or a Related Person (as defined below) propose to execute a trade in CP securities, **you must submit a request to the Corporate Secretary by email to ocs@cpr.ca.** A trade request should specify the type of CP securities to be traded and type of transaction (i.e., purchase, sale or exercise of stock options). The Corporate Secretary will endeavor to grant or deny approval to trade within 24 hours of the request being submitted and may request additional information from you before doing so. Any approval granted for a proposed trade will be valid for a period of seven calendar days, unless revoked prior to that time. If you have submitted a request and have not received an approval by the date of the proposed transaction, you may not proceed with such trade.

**REPORTING OF TRADES
BY DIRECTORS AND
SENIOR EMPLOYEES**

Each director and senior employee (Vice-President and above) of CP must report every trade he or she makes in securities of Canadian Pacific Railway Limited or Canadian Pacific Railway Company, within two days of the date of the trade, to:

- ocs@cpr.ca

OR

- Such other person as may be designated by the Disclosure Policy Committee

QUIET PERIODS

A quarterly public communication quiet period will begin on the third business day following the end of each financial quarter or year, as applicable, and will terminate with the issuance of a news release disclosing quarterly or annual results, as applicable. During this period, CP will not, subject to limited exemptions set forth in this Policy, communicate with the investment community, investors or the media.

**MAINTAINING
CONFIDENTIALITY**

All directors, officers, employees and consultants of CP who have knowledge of material non-public information relating to CP, or material non-public information relating to any other company with whom CP is doing business, or proposes or is considering or evaluating doing business or engaging in a significant transaction, are prohibited from communicating that information internally or externally to anyone else, except in the necessary course of business. In addition, such individuals are prohibited from recommending or encouraging another person to purchase or sell securities of CP or such other company. Where confidential material information is disclosed in the necessary course of business, the recipient of the information should be informed of the confidential nature of the information, the need to keep the information confidential and the restrictions on trading in securities with the benefit of knowledge of the information.

**DESIGNATED
SPOKESPERSONS**

The following are the spokespersons currently designated by the Disclosure Policy Committee to communicate on behalf of CP with the investment community, investors, regulators and the media:

- the President and Chief Executive Officer
- the Executive Vice-President and Chief Marketing Officer
- the Executive Vice-President and Chief Financial Officer
- the Chief Legal Officer and Corporate Secretary
- the Assistant Vice-President, Investor Relations and Pensions
- the Managing Director, Communications and Media Relations
- CP Investor Relations and Communications and Public Affairs personnel designated by the Assistant Vice-President, Investor Relations and Pensions, and Managing Director, Communications and Media Relations, respectively.

No other persons are authorized to communicate on behalf of CP, unless specifically designated by the Chief Executive Officer or the Disclosure Policy Committee.

PUBLIC DISCLOSURE

The principal method of publicly disclosing material information by CP will be by news release. No news release may be issued by CP unless it has been approved in advance by the following persons:

- the Executive Vice-President and Chief Financial Officer
- the Senior Vice-President and Chief Risk Officer
- the Chief Legal Officer and Corporate Secretary

AND

- in applicable cases, with final approval by, the President and Chief Executive Officer

Conference calls will be held to report on quarterly and annual earnings and major corporate developments so that the information will be accessible simultaneously to all interested parties, some as participants by telephone and others in a listen-only mode by telephone or by a Web cast over the Internet. Conference calls will be preceded by an advance notice of such and a news release containing all applicable material information.

RUMOURS

CP will not normally comment, affirmatively or negatively, on rumours. This policy also applies to rumours on the Internet, including on social media.

**ANALYSTS' RESEARCH
REPORTS**

CP will review analysts' research reports for factual accuracy and will only use for internal purposes.

CP will not post analysts' research reports on its Web site or include links to any investment firm's or analyst's Web sites or publications.

DISCLOSURE RECORD

CP will maintain, for distribution upon request, certain public information about CP.

INTERNET/SOCIAL MEDIA

Any director, officer, employee or consultant of CP who becomes aware of a discussion pertaining to material non-public information about CP on the Internet, including on social media, must advise a member of the Disclosure Policy Committee as soon as possible.

CANADIAN PACIFIC RAILWAY

DISCLOSURE AND INSIDER TRADING/REPORTING POLICY

In this Policy, CP means, collectively, Canadian Pacific Railway Limited, Canadian Pacific Railway Company and all of their respective affiliates and subsidiaries.

DISCLOSURE POLICY COMMITTEE

The Board of Directors of CP has established a Disclosure Policy Committee (the "Committee"), which is responsible for overseeing CP's disclosure practices and procedures. The voting members of the Disclosure Policy Committee will be appointed from time to time by the Board of Directors and currently are:

- ***the Chief Legal Officer and Corporate Secretary***
- ***the Executive Vice-President and Chief Financial Officer***
- ***the Senior Vice-President and Chief Risk Officer***

Additionally, the Disclosure Policy Committee will include advisory members who may, if determined necessary by the Disclosure Policy Committee, be consulted in advance of any unscheduled disclosures relating to their responsibilities. Such advisory members will be appointed by the voting members of the Disclosure Policy Committee. These individuals will consist of senior employees in investor relations, strategic planning and financial reporting and currently are:

- the Senior Vice President Strategic Planning and Transportation Services
- the Assistant Vice President Investor Relations and Pensions
- the Vice President Financial Planning and Accounting

Any decision or approval by the Disclosure Policy Committee, as referenced in or required by this Policy, will be evidenced by approval of the majority of the members of the Disclosure Policy Committee at the relevant time.

The Disclosure Policy Committee:

- will review and approve (subject to any approvals required by other CP stakeholders, including the Audit and Finance Committee) all material CP disclosure documents, including the annual report [or Form 10-K as applicable], annual and quarterly financial statements, together with related management's discussion and analysis and press releases, as well as all public reporting of material financial, statistical and other information about CP, in each case whether in written, oral or electronic form;
- may delegate, from time to time, to individual Committee members or to other employees or officers authority to review and approve such disclosures within parameters established by the Committee prior to or at the time of delegation;
- should, where necessary, from time to time consult with employees or officers knowledgeable about particular information contained in such disclosures;
- will monitor, evaluate and revise, as necessary and under the supervision of the President and Chief Executive Officer and the Executive Vice-President and Chief Financial Officer, procedures for the conduct of CP's quarterly and annual reviews of internal control over financial reporting and disclosure controls and procedures, in accordance with applicable legislation to ensure the integrity and effectiveness of such controls and procedures;

- shall, prior to filing each periodic report with the applicable securities regulatory authorities, including any certification required under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* and sections 302 and 906 of the *Sarbanes-Oxley Act* (and any successor rules), conduct or cause to be conducted sufficient due diligence concerning the internal disclosure processes performed by the office of the Vice-President Financial Planning and Accounting in order for the President and Chief Executive Officer and Executive Vice-President and Chief Financial Officer to be able to conclude as to the effectiveness of internal control over financial reporting and disclosure controls and procedures resulting from such processes;
- will communicate the objectives and requirements of this Policy to CP's personnel, and develop, implement and communicate such further policies and procedures relating to disclosure and insider trading and reporting generally as it deems necessary in order to assist in fulfilling the objectives of this Policy;
- may set benchmarks for a preliminary assessment of the materiality of information and will determine when developments justify public disclosure;
- shall meet at least on a quarterly basis as part of its review and approval process of CP's periodic material disclosure documents, and its monitoring of the effectiveness of, and compliance with, this Policy;
- shall ensure that all of its members (or, at minimum, one of its members) attends or is available to attend all meetings of the Board of Directors and the Audit and Finance Committee of the Board of Directors, and will keep the Board of Directors informed of all material developments and / or significant information disseminated by CP the public; and
- shall ensure that at least one of its members is available at all times to respond to any urgent disclosure issues that may arise.

For clarity, it is the Disclosure Policy Committee's duty to develop, implement or oversee, under the supervision of the President and Chief Executive Officer and the Executive Vice-President and Chief Financial Officer, the implementation of, and to monitor compliance with, CP's disclosure controls and procedures and to review and approve all material CP disclosure in an effort to ensure the timely, accurate and complete disclosure of material information as required by applicable securities laws and stock exchange rules.

It is essential that all CP officers, employees and consultants ensure that the Disclosure Policy Committee be kept fully apprised of all pending and potentially material CP developments in order to permit the Committee to be able to determine the appropriateness and timing of the public disclosure of those developments. In that regard, where officers, employees or consultants believe a material fact or change may have occurred or if a matter may have become material, in each case that has not been previously disclosed, the Disclosure Policy Committee should be immediately informed. Officers and employees should inform a member of the Disclosure Policy Committee, in such circumstances. If it is determined by the Disclosure Policy Committee that the information should and may, under applicable laws, stock exchange rules and this Policy, remain confidential, the Disclosure Policy Committee will determine how the confidentiality of that information will be maintained.

The Disclosure Policy Committee will review this Policy on an annual basis (or more frequently as needed or requested by the Board of Directors) and recommend to the Board of Directors any changes to this Policy deemed necessary to ensure compliance with applicable legal and regulatory requirements. Any such changes shall be subject to review and approval by the Board of Directors. The Disclosure Policy Committee will report to the Board of Directors on an annual basis, or more frequently as the Board of Directors may request, so that the Board may verify that this Policy is being properly implemented and enforced and to determine whether any amendments to this Policy are required.

If at any time a member of the Disclosure Policy Committee is unable to attend a meeting of the Committee, approve a matter or take any other action that is within the purview of the Disclosure Policy Committee or one of its members, such member may designate another person to so attend, approve and/or act on his or her behalf. Notwithstanding the foregoing, provided that a majority of the members of the Committee are available, the decision of the available members will be sufficient.

PRINCIPLES OF PUBLIC DISCLOSURE OF MATERIAL INFORMATION

All material information relating to CP will be publicly disclosed by CP on a timely basis, except in the limited circumstances permitted by this Policy.

CP will not selectively disclose any material information, including any report that operating or earnings results will be materially below or above publicly held expectations.

Material Information

In general, information is "material" if it would reasonably be expected to have a significant effect on the market price or value of any of CP's securities or if it would otherwise reasonably be expected to have a significant influence on a reasonable investor's investment decisions relating to CP.

Unless, after consultation with a member of the Disclosure Policy Committee, there is reason to believe otherwise, directors, officers and employees of CP should assume that information regarding the following topics is always "material":

- Sales figures
- Earnings figures
- Significant merger, acquisition, take-over bid, joint venture or change in assets
- Borrowing or lending of a significant amount of funds or any mortgaging or encumbering in any way of any of CP's material assets
- Significant change in capital investment plans or corporate objectives
- Change in control of CP
- Development of a significant new product or service
- Significant development regarding a customer or a supplier (e.g., winning or losing a significant contract)
- Change in senior management
- Bankruptcy or receivership of CP
- Change in auditor or notification by the auditor that CP may no longer rely on an auditor's audit report
- Significant lawsuit against CP
- Events regarding CP's securities (e.g., decision by CP to buy back its own securities, default on a security, call of securities for redemption, stock split, dividend decision, change in the terms of a security, public or private sale of additional securities)

In determining whether certain information is material, a number of factors should be taken into account, including:

- Nature of the information
- Volatility of CP's securities
- Prevailing market conditions

Any person who is uncertain as to whether particular information is "material" should contact a member of the Disclosure Policy Committee.

Non-Public

Material information is "non-public" until it has been disseminated in a manner making it available to investors generally and public investors have been given a reasonable amount of time to analyze the information.

Any person who is uncertain as to whether particular material information is "non-public" should contact a member of the Disclosure Policy Committee.

Disclosure Principles

CP will adhere to the following basic disclosure principles:

- Material information relating to CP (whether favourable or unfavourable) will be publicly disclosed by news release on a timely basis, except as set out below.
- Disclosure of material information should be balanced and factual.
- If the Disclosure Policy Committee determines that the public disclosure of certain material information would be premature (for example, the release of the information would prejudice negotiations in a major corporate transaction), the information will be kept confidential, to the extent permitted by applicable law and stock exchange rules, until the Disclosure Policy Committee determines it is necessary or appropriate to publicly disclose (see "Maintaining Confidentiality") and a trading blackout (whether formal or informal) will be imposed on applicable directors, officers and employees of CP and those external advisors aware of the information. In those circumstances, the Disclosure Policy Committee will cause, if necessary, a confidential material change report to be filed with the applicable securities regulators, and will periodically (at least every 10 days) review its decision to keep the information confidential (also, see "*Rumours*").
- During the period before material information is publicly disclosed, market activity in CP's securities should be monitored.
- Disclosure must include any information the omission of which would make the rest of the disclosure misleading (half-truths are misleading).
- There must be no selective disclosure of material information. Material non-public information must not be disclosed to selected individuals (for example, in an interview with an analyst or the media or in a telephone conversation with an investor). If material non-public information has been inadvertently disclosed to an analyst, an investor or the media or improperly to any other person, follow the procedures set out under "*Public Disclosure – Inadvertent/Unauthorized Disclosure and Breach of Policy*".
- Disclosure should be corrected as soon as reasonably practicable if CP subsequently learns that earlier disclosure by CP contained a material error at the time it was given.
- Disclosure on CP's Web site, or on social media, does not constitute adequate public disclosure of material information and could constitute selective disclosure.

Forward-Looking Information

"Forward-looking information" is information about prospective results of operations, financial position or changes in financial position, based on assumptions about future conditions and courses of action, and for the purposes of this Policy, includes CP's financial outlook and future-oriented financial information. Confirmation of the continued accuracy or invalidity of previously disclosed forward-looking information (such as estimated future sales or earnings) can itself be material and/or forward-looking information. CP will not disclose forward-looking information unless it has a reasonable basis for such information.

The following are guidelines for CP in publicly disclosing material forward-looking information (in writing and verbally, modified as appropriate):

- The forward-looking information will be broadly disseminated by news release or other appropriate means, in accordance with this Policy, if deemed to be material.
- The information will be clearly identified as forward-looking.
- The forward-looking information will be accompanied by a statement that actual results could differ materially from the forward-looking information.
- The forward-looking information will be accompanied by a statement of the material factors and assumptions used in the preparation of the forward-looking information or by a statement directing readers to such factors and assumptions as contained in an identified and readily available document or a portion of that document.
- The forward-looking information will be accompanied by a statement that identifies, in specific terms, material factors that may cause the actual results to differ materially from those set out in the forward-looking information or by a statement directing readers to such factors as contained in an identified and readily available document or a portion of that document.
- The forward-looking information will be accompanied by a statement that disclaims any intention or obligation of CP to update or revise the forward-looking information, whether as a result of new information, future events or otherwise, unless required by law. Notwithstanding this disclaimer, should subsequent events prove past statements about current events to be materially off target or to have materially changed, CP may choose to issue a news release explaining the reasons for the difference.
- The forward-looking information will be presented in accordance with applicable law and stock exchange rules.

INSIDER TRADING RESTRICTIONS AND BLACKOUT PERIODS REGARDING CP

No director, officer, employee of CP or other person in a "special relationship" with CP (which includes insiders of CP and persons engaging in professional or business activities for or on behalf of CP) may purchase or sell, or otherwise trade, securities of Canadian Pacific Railway Limited or Canadian Pacific Railway Company with knowledge of material non-public information relating to CP and no such person may disclose to someone else material non-public information relating to CP ("tipping"), except where such disclosure is in the necessary course of business. Such individuals are also prohibited from recommending or encouraging another person to purchase or sell CP securities or entering into a transaction involving a security the value of which is derived from, or varies materially, with the market price of CP securities. This applies whether or not a blackout period, as described below, has been imposed.

For the purposes of this policy and applicable securities laws (including insider reporting), trading in "securities" of a company shall be deemed to include (a) any sale of the company's securities pursuant to the exercise of stock options or "cashless" exercise of stock options, and (b) trading any interest in, or right or obligation associated with, a related financial instrument, being (i) a derivative security/instrument that is not issued by a company but is based on or whose value is derived by reference to securities of a company or (ii) an instrument to which a person is a party, the effect of which is to alter such person's economic exposure to a company.

A quarterly prescribed blackout period will begin on the third business day following the end of each financial quarter or year, as applicable, and will terminate on the later of one clear business day after a news release is issued disclosing the quarterly or annual results, as applicable, or confirmation from the Executive Vice-President and Chief Financial Officer that there is no material non-public information relating to the Corporation's financial results and that the blackout can be terminated. During this period, no director or senior employee (Vice-President and above) and no other person involved in the preparation of, or having actual knowledge of material non-public financial or other information to be contained in, CP's quarterly or annual financial statements may purchase or sell, or otherwise trade, securities of Canadian Pacific Railway Limited or Canadian Pacific Railway Company.

These trading restrictions do not apply to purchases of securities of Canadian Pacific Railway Limited made automatically on behalf of a director, officer or employee of CP under either the Canadian Pacific Railway Limited Share Purchase Plan (Canada) or the Canadian Pacific Railway Limited Share Purchase Plan (U.S.).

Apart from quarterly prescribed blackout periods, directors, officers and employees of CP with knowledge of any material non-public information relating to CP will be subject to trading blackouts (whether formal or informal). Any other party negotiating a material transaction with CP will likely also be subject to trading blackouts. They will be prohibited from trading in securities of CP or those other parties normally until the end of the second business day after the information has been publicly disclosed. In addition, other trading blackouts may be prescribed from time to time by the Disclosure Policy Committee as a result of special circumstances relating to CP which could give rise to material non-public information, pursuant to which applicable directors, officers and employees of CP (each determined on a case by case basis), as well as external advisors with knowledge of the special circumstances, shall be prohibited from trading in securities of Canadian Pacific Railway Limited or Canadian Pacific Railway Company. In the case of a prescribed blackout period, involved individuals will be informed as to the application of the blackout to them.

The *Canada Business Corporations Act* ("CBCA") prohibits a director, officer or an employee of CP, as an insider, from making short sales of securities of Canadian Pacific Railway Limited or Canadian Pacific Railway Company. A short sale is a sale of a security that the seller does not yet own or has not fully paid for. An insider may, however, sell a security that the insider does not yet own provided that: (i) the insider declares to the dealer that the insider does not own the security; and (ii) the insider owns another security convertible into the security sold short or has an option or right to acquire the security sold short and, within ten days of the sale, exercises the conversion privilege, option or right and delivers the security to the purchaser or transfers the convertible security, option or right to the purchaser.

The CBCA also prohibits directors, officers and employees of CP from purchasing a put option or selling a call option in respect of the securities of a CP company. A put option is an option, transferable by delivery, to deliver a specified number or amount of securities at a fixed price within a specified time. A call is an option, transferable by delivery, to demand delivery of a specified number or amount of securities at a fixed price within a specified time. An option or right to acquire securities of a company, issued by that company (including options granted under the Management Stock Option Incentive Plan or the Directors' Stock Option Plan (collectively, the "SOPs")), is not a call.

In addition, pursuant to this policy, CP directors, officers and employees are prohibited from: (i) purchasing financial instruments that are designed to hedge or offset a decrease in market value of equity securities of CP granted as compensation or held, directly or indirectly, by them; and, if not captured in (i) of this paragraph, (ii) forward selling shares that may be delivered in the future upon the exercise of options granted pursuant to the SOPs, or otherwise monetizing options granted pursuant to the SOPs, where the interest of the director, officer or employee in such options is not yet vested. CBCA prohibitions with respect to the short sale of securities may also be relevant to the forward sale of securities. For the purpose of this policy, the forward sale of securities includes an agreement to sell a security on a future date.

INSIDER TRADING RESTRICTIONS REGARDING OTHER COMPANIES

No director, officer, employee or consultant of CP may purchase or sell, or otherwise trade, or encourage or recommend that another person trade, in securities of any other company if such individual has actual knowledge that CP is doing business, or proposes or is considering or evaluating doing business or engaging in a significant transaction with that company, and if such individual:

- (a) has actual knowledge of material non-public information relating to that other company; or
- (b) has received a notification from the Office of the Corporate Secretary implementing a trading blackout with respect to that other company as a result of CP's actual or potential relationship with it,

and, under the circumstances set out above, no such person may disclose to someone else material non-public information relating to that other company, except where such disclosure is in the necessary course of business.

PRE-CLEARANCE OF TRADES IN SECURITIES BY DIRECTORS AND SENIOR EMPLOYEES

To assist in preventing even the appearance of an improper insider trade, directors and senior employees (Vice President and above) require pre-clearance in advance of trading in securities of CP. This pre-clearance requirement extends to all proposed transactions in CP securities for an individual's own account and for accounts over which an individual exercises control or direction, including transactions by such person's spouse, minor children and anyone else living in his or her household, and any legal entities that he or she controls (each of whom is referred to below as a "Related Person").

If you or a Related Person propose to execute a trade in CP securities, you must submit a request to The Corporate Secretary by email to ocs@cpr.ca. A trade request should specify the type of CP securities to be traded and type of transaction (i.e., purchase, sale or exercise of stock options). No trade may be carried out without the preapproval of the Corporate Secretary. The Corporate Secretary will endeavor to grant or deny approval to trade within 24 hours of the request being submitted and may request additional information from you before doing so. Any approval granted for a proposed trade will be valid for a period of seven (7) calendar days, unless revoked prior to that time. No trade may be carried out after the expiry of seven (7) calendar days following the receipt of approval unless such approval is renewed. If clearance is denied, the fact of such denial must be kept confidential by the person requesting such clearance. If you or a Related Person fail to pre-clear a trade when required, barring extenuating circumstances, they may be asked to cancel or reverse the trade. If required to reverse or cancel a trade, you or the Related Person, as applicable, will be responsible for any trading losses while any trading gains will be required to be forfeited. You are reminded that, notwithstanding any approval of a trade, the ultimate responsibility for complying with this Policy and applicable laws and regulations rests with the individual.

Transactions in the following types of securities do not require approval and are exempt from the pre-clearance requirement:

- purchases under the CP Employee Share Purchase Plan;
- purchases under a dividend reinvestment program (DRIP);
- open-end and closed-end mutual funds;
- exchange-traded funds;
- index funds;
- trades done in a blind trust (i.e., a trust in which you are a beneficiary but for which you do not receive any reporting and have no knowledge regarding investments); and
- transactions that are non-volitional in nature such as mergers, recapitalizations, distributions-in-kind or similar transactions.

REPORTING OF TRADES BY DIRECTORS AND SENIOR EMPLOYEES

Each director and senior employee (Vice-President and above) of CP must report every trade he or she (or a Related Person) makes in securities of Canadian Pacific Railway Limited or Canadian Pacific Railway Company, within two days of the date of the trade, to:

- ocs@cpr.ca

OR

- ***Such other person as may be designated by the Disclosure Policy Committee***

Where required by law, CP will assist in reporting the trades to the appropriate securities regulators; however, each individual remains responsible for compliance with any reporting obligations under applicable securities laws.

QUIET PERIODS

A quarterly public communication quiet period will begin on the third business day following the end of each financial quarter and year, as applicable, and will terminate with the issuance of a news release disclosing quarterly or annual results, as applicable. During this period, CP will not communicate with the investment community, investors or the media, except in circumstances described below.

The purpose of the quiet period is to avoid the potential for, or perception of, selective disclosure. During this period, CP will only communicate with the investment community, investors or the media to respond to unsolicited inquiries, unless otherwise determined by the Disclosure Policy Committee, concerning factual matters about already publicly disclosed or non-material information.

MAINTAINING CONFIDENTIALITY

All directors, officers and employees of CP who have knowledge of material non-public information relating to CP, or material non-public information relating to any other company with whom CP is doing business, or proposes or is considering or evaluating doing business or engaging in a significant transaction, are prohibited from communicating that information internally or externally to anyone else, except in the necessary course of business. In addition, such individuals are prohibited from recommending or encouraging another person to purchase or sell securities of CP or such other company, or enter into a transaction involving a security the value of which is derived from, or varies materially, with the market price of CP securities or such other company.

Disclosure in the necessary course of business would generally cover communications with:

- Vendors, suppliers or strategic partners on issues such as research and development, sales and marketing and supply contracts
- Directors, officers and employees of CP
- Lenders, legal counsel, auditors, financial advisors and underwriters
- Parties to negotiations
- Labour unions
- Industry associations
- Government agencies and non-governmental regulators
- Credit rating agencies (provided that the information is disclosed for the purpose of assisting the agency to formulate a credit rating and the credit rating is or will be publicly available)

The "necessary course of business" exception would not generally permit a company to make a selective disclosure of material non-public information to an analyst, institutional investor or other market professional.

Any person who is uncertain as to whether a particular disclosure of material non-public information is in the necessary course of business should contact a member of the Disclosure Policy Committee.

Caution should be used when transmitting information by e-mail. Communication by e-mail leaves an electronic track of its passage that may be subject to later decryption attempts. If the information being transmitted is critically sensitive or confidential, a non-electronic means should be used for the transmission if possible and practical in the circumstances.

Where confidential material information is disclosed in the necessary course of business, the recipient of the information should be informed of, and understand, the confidential nature of the information, the need to keep the information confidential and the restrictions on trading in securities with the benefit of knowledge of that information.

Outside parties privy to material non-public information relating to CP or another company with whom CP is conducting or proposes to conduct business must be advised that they must not divulge the information to anyone else, except in the necessary course of business, and that they may not trade in securities of Canadian Pacific Railway Limited or Canadian Pacific Railway Company or the other company until the information is publicly disclosed. An outside party may be required to enter into a written confidentiality agreement; however, there is no exception to the prohibition against "tipping" for disclosures made pursuant to a confidentiality agreement. Consequently, there must still be a determination, prior to disclosure supported by a confidentiality agreement, that such disclosure is in the "necessary course of business". A written confidentiality agreement will not normally be required from an outside party who owes a duty of trust or confidence to CP because of a special relationship with CP (such as a banker or lawyer).

In order to prevent the misuse or inadvertent disclosure of material non-public information, the following procedures should be observed at all times:

- Documents and files containing confidential information should be kept in a safe place to which access is restricted to individuals on a need-to-know basis.
- Code names should be used, where appropriate.
- Confidential matters should not be discussed in places where the discussion may be overheard, such as elevators, hallways, restaurants, airplanes or taxis.
- Confidential documents should not be read or displayed in public places and should not be discarded where others can retrieve them.
- Employees must ensure that they maintain the confidentiality of information in their possession outside of the office as well as inside the office.
- Transmission of documents by electronic means, such as by email or fax, should be made only where it is reasonable to believe that the transmission can be made and received under secure conditions.
- Unnecessary copying of confidential documents should be avoided and documents containing confidential information should be promptly removed from conference rooms and work areas after meetings have concluded. Extra copies of confidential documents should be shredded or otherwise destroyed.
- Access to confidential electronic data should be restricted through the use of passwords.
- Avoid disclosure of the whereabouts of CP personnel or the presence of special visitors to CP's premises to the extent possible.

DESIGNATED SPOKESPERSONS

The following are the spokespersons currently designated by the Disclosure Policy Committee to communicate on behalf of CP with the investment community, investors, regulators and the media:

- ***the President and Chief Executive Officer***
- ***the Executive Vice President and Chief Marketing Officer***
- ***the Executive Vice-President and Chief Financial Officer***
- ***the Chief Legal Officer and Corporate Secretary***
- ***the Assistant Vice-President, Investor Relations and Pensions***
- ***the Managing Director, Communications and Media Relations***

- ***CP Investor Relations and Communications and Public Affairs personnel designated by the Assistant Vice-President, Investor Relations and Chief Legal Officer and Corporate Secretary, respectively***

No other persons are authorized to communicate on behalf of CP, unless specifically designated by the Chief Executive Officer or the Disclosure Policy Committee.

Directors, officers, employees or consultants of CP who are not designated spokespersons must not respond under any circumstances to enquiries from the investment community, investors, the media or others, unless they are specifically asked to do so by a designated spokesperson. All such enquiries should be referred to a member of the Disclosure Policy Committee.

PUBLIC DISCLOSURE

The principal method of publicly disclosing material information by CP will be by news release. No news release may be issued by CP unless it has been approved in advance by the following persons:

- ***the Executive Vice-President and Chief Financial Officer***
- ***the Senior Vice-President and Chief Risk Officer***
- ***the Chief Legal Officer and Corporate Secretary***

AND

- ***in applicable cases, with final approval by, the President and Chief Executive Officer***

Additionally, prior to disclosure of material information, the news release will be provided for review to each voting member of the Committee and to each of the advisory members of the Committee for which the disclosures would reasonably be considered material.

Conference calls will be held to report on quarterly earnings and major corporate developments so that the information will be accessible simultaneously to all interested parties, some as participants by telephone and others in a listen-only mode by telephone or by a Web cast over the Internet. Conference calls will be preceded by an advance notice of such and a news release containing all applicable material information.

News Releases

If a stock exchange in North America upon which securities of CP are listed is open for trading at the time of the issuance of a news release announcing material information, prior notice of the news release must be provided to the market surveillance department of the stock exchange to enable a trading halt, if deemed necessary by the stock exchange. If a news release announcing material information is issued outside of trading hours, the news release will be disseminated in compliance with the rules of the stock exchange (with respect to the timing thereof) and the market surveillance department of the stock exchange should be notified before the market reopens.

Annual and interim financial results will be publicly released as soon as possible following approval of the financial statements by CP's Board of Directors upon recommendation of the Audit and Finance Committee of the Board of Directors. Interim management's discussion and analysis will be released with the interim financial results and annual management's discussion and analysis will be included in CP's Annual Report.

News releases will be disseminated through an approved news wire service that provides simultaneous national and/or international distribution. News releases will be transmitted to all stock exchanges, relevant regulatory bodies (in accordance with applicable rules including on the System for Electronic Document Analysis and Retrieval established by the Canadian securities regulatory authorities and with the U.S. Securities and Exchange Commission), major business wires, national financial media and selected local media in areas where CP has its headquarters and principal operations.

News releases will be posted on CP's Web site as soon as possible after release over the news wire. The news release section of CP's Web site shall include a notice that advises the reader that the information posted was accurate at the time of posting, but may be superseded by subsequent publicly disclosed information.

Conference Calls for CP Announcements

The news release announcing an upcoming conference call will include:

- The date and time of the conference call
- A general description of what is to be discussed
- The means of accessing the conference call
- How long a replay of the conference call will be available on CP's Web site

Conference calls will normally be preceded by a meeting of CP participants to review responses to anticipated questions and to identify information that may require public disclosure prior to the conference call. Detailed records or transcripts must be made of any conference call and made available on CP's Web site for a reasonable period of time.

Industry Conferences

This Policy applies to any form of communication, such as a speech, roundtable discussion or informal conversation on a convention centre floor, by any director, officer or employee of CP made at any industry conference or similar event. Detailed records or transcripts must be made of any industry conference presentation.

Analysts, Investor and Media Meetings

CP recognizes that meetings with analysts, institutional investors and the media are an important element of CP's investor relations program. CP will meet with analysts, investors and the media on an individual or small group basis, as needed, and will initiate contact with, or respond to, analysts, investors and the media in a timely, consistent and accurate fashion in accordance with this Policy.

CP will provide only non-material information at individual and group meetings, in addition to publicly disclosed information, taking necessary precautions to ensure that any such information does not, when considered together with (i) other public information regarding CP, or (ii) other smaller, non-material components of such information, amount to material information that has not been publicly disclosed.

CP spokespersons will normally keep notes of telephone conversations and meetings with analysts, investors and the media and, where practicable, more than one CP representative will be present at all individual and group meetings. If (i) disclosure of previously undisclosed material information occurs at such a meeting, or (ii) it is discovered that a material misstatement was made in such a meeting, the Disclosure Policy Committee shall consider and, if deemed advisable, authorize release of an appropriate statement or other disclosure announcing previously undisclosed information or correcting a misstatement, as applicable.

Inadvertent/Unauthorized Disclosure and Breach of Policy

If a director, officer or employee of CP becomes aware that there may have been an inadvertent or unauthorized disclosure of material non-public information relating to CP or another breach of this Policy, such person must immediately contact a member of the Disclosure Policy Committee. If applicable, the records or transcripts prepared in connection with conference calls, industry conference presentations and meetings with analysts should be reviewed after the event to determine whether any inadvertent selective disclosure has in fact occurred. To the extent requested by the Disclosure Policy Committee, the applicable

director, officer or employee should assist in the development and implementation of a plan to make prompt public disclosure of the material information on a timely basis by news release or other appropriate means. The Disclosure Policy Committee will also consider any need to halt trading in the shares on stock exchanges until public disclosure is made.

Prompt public disclosure means as soon as possible after such person became aware of the inadvertent or unauthorized disclosure.

RUMOURS

CP will not normally comment, affirmatively or negatively, on rumours. This policy also applies to rumours on the Internet, including on social media.

CP's spokespersons will respond consistently to rumours, stating that "It is our policy not to comment on market rumours or speculation."

If required by applicable stock exchange rules, or should a stock exchange request that CP make a definitive statement in response to a market rumour relating to Canadian Pacific Railway Limited or Canadian Pacific Railway Company, the Disclosure Policy Committee will respond to the stock exchange, as applicable, and may, if it thinks fit, approve the issuance of an appropriate press release. If a rumour is correct, in whole or in part, CP will, if required by law or applicable stock exchange rules, make immediate disclosure of the relevant material non-public information, if any.

ANALYSTS' RESEARCH REPORTS

CP will not endorse analysts' research reports.

CP will review analysts' research reports for factual accuracy and will only use for internal purposes.

CP will not post analysts' research reports on its Web site or include links to any investment firm's or analyst's Web sites or publications.

In order to avoid appearing to endorse an analyst's research reports or model, CP will provide its comments orally or will attach a disclaimer to written comments to indicate that the analyst's report or model was reviewed only for factual accuracy based on publicly disclosed information.

CP may post on its Web site a complete list, regardless of the recommendation, of all of the investment firms and analysts who are known to CP to provide research coverage on CP. If provided, the list will not include links to the investment firm's or analyst's Web sites or publications. CP will not, unless required by applicable regulatory authorities, provide analyst reports through any means to persons outside CP (other than financial or professional advisors and lenders in the necessary course of business).

DISCLOSURE RECORD

CP will maintain, for distribution upon request, certain public information about CP.

The documents to be maintained in relation to each of Canadian Pacific Railway Limited and Canadian Pacific Railway Company will include:

- Annual Reports for the preceding five fiscal years
- Annual Information Forms for the preceding five fiscal years
- Notices of Annual Meetings and Management Proxy Circulars for the preceding five fiscal years
- Management's Discussion & Analysis for the preceding five fiscal years

- Quarterly reports for the current and the immediately preceding five fiscal years
- News releases for the current and the immediately preceding five fiscal years
- Material change reports for the current and the immediately preceding five fiscal years

CP WEB SITE

Any link from the Investor Relations section of the CP Web site to a third party Web site must be approved in advance by the Assistant Vice-President, Investor Relations and Pensions, or a person designated by them for this purpose. Any such link must include a notice that advises the reader that he or she is leaving CP's Web site and that CP is not responsible for the contents of the third party Web site.

CP will maintain a log indicating the date that material information is posted and removed from the Investor Relations section of the CP Web site. The CP Web site will also include an archiving system to store and provide access to information that is no longer current.

Disclosure on CP's Web site alone does not constitute adequate dissemination of material non-public information relating to CP. Any disclosure of material non-public information on CP's Web site will be preceded by the issuance of a news release or dissemination by other appropriate means.

CP will comply with the applicable stock exchange rules for posting the requisite governance materials on its Web site. The Disclosure Policy Committee will work together with the Corporate Secretary and other legal counsel for CP to ensure that such disclosure is up to date.

INTERNET/SOCIAL MEDIA

Any statement that would be prohibited by law or by this policy is equally prohibited if made in Internet chat rooms or newsgroup discussions, or otherwise on social media, including the disclosure of material non-public information about CP or material non-public information about other companies that you come into possession of in the course of your duties at CP.

All directors, officers, employees and consultants of CP are reminded of their obligations to protect confidential information about CP, as set forth in CP's Code of Business Ethics.

Any director, officer, employee or consultant of CP who becomes aware of a discussion pertaining to material non-public information about CP on the Internet or otherwise on social media must advise a member of the Disclosure Policy Committee as soon as possible.

Any director, officer, employee or consultant of CP is required to comply with this Policy when using social media.