

Difference Between CPKC Practices and NYSE

Canadian Pacific Kansas City Limited (“**CPKC**”) is a Canadian reporting issuer with securities listed on the Toronto Stock Exchange (the “**TSX**”) and the New York Stock Exchange (the “**NYSE**”). Although CPKC is not required to comply with many of the NYSE listing standards regarding corporate governance rules (the “**NYSE Rules**”), we nevertheless voluntarily comply with most of the NYSE Rules. We have summarized below the significant ways in which CPKC’s practices differ significantly from those required of U.S. domestic issuers under the NYSE Rules.

The NYSE Rules require shareholder approval of all “equity compensation plans” and any material revisions to such plans. The definition of “equity compensation plans” covers plans that provide for the delivery of newly issued securities, as well as plans which rely on securities reacquired on the market by the issuing company for the purpose of redistribution to employees and directors.

The TSX Company Manual (the “**TSX Rules**”), on the other hand, requires shareholder approval of security based compensation arrangements only in respect of arrangements which involve the delivery of newly issued securities or specified amendments thereto. Therefore, CPKC does not seek shareholder approval for equity compensation plans and amendments unless they involve newly issued securities or constitute specified amendments under the TSX Rules.