

CP

DISCLOSURE AND INSIDER TRADING/REPORTING POLICY

Approved by the Board: February 20, 2017

OBJECTIVES AND SCOPE OF POLICY

Canadian Pacific Railway Limited and its subsidiary, Canadian Pacific Railway Company, 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.

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 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;
- 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 and employees of CP and its affiliates and subsidiaries.

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.

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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.

CP

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.

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 will consist of three principal voting members, being:

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

Additionally, the Committee will include advisory members who will be consulted in advance of any unscheduled disclosures, consisting of the individual employees responsible for investor relations, business development and the corporate controller.

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 or employee of CP may purchase or sell, or otherwise trade, securities of Canadian Pacific Railway Limited or Canadian Pacific Railway Company with knowledge of non-public material information relating to CP and no such person may disclose to someone else non-public material information relating to CP ("tipping"), except where such disclosure is in the necessary course of business.

For the purposes of this policy and applicable securities laws (including insider reporting), trading in "securities" of a company shall be deemed to include 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 and will terminate on the later of one clear business day after a news release is issued disclosing the quarterly results or confirmation from the 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 officer (Vice-President and above) and no other person involved in the preparation of, or having actual knowledge of non-public material 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 or employee of CP may purchase or sell, or otherwise trade, securities of any other company if that person has actual knowledge that CP is doing or proposes to do business with that company and if that person:

- (a) has actual knowledge of material non-public information relating to that other company and that information was obtained in the course of their employment or engagement in any business or professional activity with or on behalf of CP; 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 OFFICERS**

To assist in preventing even the appearance of an improper insider trade, directors and senior officers (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 office_ofthecorporatesecretary@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.

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

Each director and senior officer (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:

- Office_OfTheCorporateSecretary@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 and will terminate with the issuance of a news release disclosing quarterly results. During this period, CP will not normally communicate with the investment community, investors or the media.

MAINTAINING CONFIDENTIALITY

All directors, officers and employees of CP who have knowledge of non-public material information relating to CP, or non-public material information relating to any other company with whom CP is conducting or proposes to conduct business, are prohibited from communicating that information internally or externally to anyone else, except in the necessary course of business. 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 Chief Executive Officer
- the President
- the Chief Operating Officer
- the Chief Financial Officer
- the Assistant Vice-President, Investor Relations
- the Assistant Vice-President, Public Affairs and Communications
- CP Investor Relations and Communications and Public Affairs personnel designated by the Assistant Vice-President, Investor Relations, and Assistant Vice-President, Public Affairs and Communications, respectively.

No other persons are authorized to communicate on behalf of CP, unless specifically designated by the President and 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 Corporate Secretary or other legal counsel for CP
- AND**
- Another member of the Disclosure Policy Committee
- AND**
- The sponsoring Vice-President

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 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.

ANALYSTS' RESEARCH REPORTS

CP will not endorse analysts' research reports. CP will review analysts' research reports for internal use only and will not normally comment on those reports to any persons outside of CP, except for the purpose of pointing out factual errors based on publicly disclosed information. CP will not normally comment on analysts' research reports to CP employees, except to provide information to employees concerning the existence of such reports, both favourable and unfavourable.

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.

CP WEB SITE

No posting of formerly non-public material information relating to CP may be made to the CP Web site unless:

- It is done in accordance with the guidelines published by the Disclosure Policy Committee

OR

- It has been approved in advance by the Corporate Secretary or other legal counsel for CP.

INTERNET CHAT ROOMS

Any director, officer or employee of CP who becomes aware of a discussion pertaining to CP on the Internet must advise a member of the Disclosure Policy Committee as soon as possible

CP

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, 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 Chief Financial Officer*
- *the Vice-President and Chief Risk Officer*

Additionally, the Disclosure Policy Committee shall include advisory members who will be consulted in advance of any unscheduled disclosures relating to their responsibilities, and will be appointed by the voting members of the Disclosure Policy Committee. These individuals will consist of senior employees in investor relations, business development and financial reporting and currently are

- the Vice President Strategic Planning and Transportation Services
- the Assistant Vice President Investor Relations
- the Assistant Vice President and Controller

The Disclosure Policy Committee:

- will review and approve all material CP disclosure documents, including the Annual Information Form, Annual and Interim Management's Discussion and Analysis, Annual Report, annual and quarterly financial statements and related press releases, as well as all public reporting (including the text of any oral presentation) of material financial, statistical and other information about CP;
- 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, 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 and sections 302 and 404 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 and Comptroller so as to be able to conclude as to the effectiveness of disclosure controls and procedures resulting from such processes;
- will 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;
- shall ensure that at least one of its members attends or is available to attend all meetings of the Board of Directors and the Audit Committee of the Board of Directors; 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 implement or oversee 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 and employees 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 or employees believe a material fact or change may have occurred 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 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) 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.

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 law and applicable 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. Non-public material 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 non-public material 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".
- 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 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. 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 forward-looking information:

- The forward-looking information, if determined to be material, will be broadly disseminated by news release or other appropriate means, in accordance with this Policy.
- 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 that such factors and assumptions are 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 that such factors are 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.

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 non-public material information relating to CP and no such person may disclose to someone else non-public material information relating to CP (“tipping”), except where such disclosure is in the necessary course of business. 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 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 and will terminate on the later of one clear business day after a news release is issued disclosing the quarterly results or confirmation from the 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 officer (Vice-President and above) and no other person involved in the preparation of, or having actual knowledge of non-public material 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 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 non-public material 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 of 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 non-public material 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 you 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 or employee of CP may purchase or sell, or otherwise trade in securities of any other company if that person has actual knowledge that CP is doing or proposes to do business with that company and if that person:

- (a) has actual knowledge of material non-public information relating to that other company and that information was obtained in the course of their employment or engagement in any business or professional activity with or on behalf of CP; 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 OFFICERS

To assist in preventing even the appearance of an improper insider trade, directors and senior officers (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 office_ofthecorporatesecretary@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, you or 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);
- transactions executed on your behalf by professional investment counsel, provided that you have provided no information or instructions regarding the subject security other than customary general client investment objectives and similar information; 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 OFFICERS

Each director and senior officer (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:

- ***Office_OfTheCorporateSecretary@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.

QUIET PERIODS

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

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 concerning factual matters about already publicly disclosed information, unless otherwise determined by the Disclosure Policy Committee.

MAINTAINING CONFIDENTIALITY

All directors, officers and employees of CP who have knowledge of non-public material information relating to CP, or non-public material information relating to any other company with whom CP is conducting or proposes to conduct business, are prohibited from communicating that information internally or externally to anyone else, except in the necessary course of business.

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 non-public material information to an analyst, institutional investor or other market professional.

Any person who is uncertain as to whether a particular disclosure of non-public material 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 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 non-public material 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 non-public material 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 Chief Operating Officer***
- ***the Chief Financial Officer***
- ***the Chief Legal Officer and Corporate Secretary***
- ***the Assistant Vice-President, Investor Relations***
- ***the Assistant Vice-President, Public Affairs and Communications***
- ***CP Investor Relations and Communications and Public Affairs personnel designated by the Assistant Vice-President, Investor Relations and Assistant Vice-President, Public Affairs, respectively***

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

Directors, officers or employees 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 Corporate Secretary or other legal counsel for CP***
AND
- ***Another member of the Disclosure Policy Committee***
AND
- ***The sponsoring Vice-President.***

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 reasonable 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 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 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 or the Audit 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, 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.

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 other public information regarding CP, 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. Detailed records or transcripts must be made of any meeting with an analyst.

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 non-public material 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.

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

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 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, make immediate disclosure of the relevant non-public material information, if any.

ANALYSTS' RESEARCH REPORTS

CP will not endorse analysts' research reports.

CP will review analysts' research reports for internal use only and will not normally comment on those reports to any persons outside of CP, except for the purpose of pointing out factual errors based on already publicly disclosed information. CP will not normally comment on analysts' research reports to CP employees, except to provide information to

employees concerning the existence of such reports, both favourable and unfavourable.

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.

CP will not confirm, or attempt to influence, an analyst's opinions or conclusions and will not express comfort with the analyst's model or earnings estimates.

In order to avoid appearing to endorse an analyst's research report 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
- Management Information 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
- transcripts/tape recordings, notes, newspaper articles

CP WEB SITE

No posting of formerly non-public material information relating to CP may be made to the CP Web site unless:

- *It is done in accordance with guidelines established by the Disclosure Policy Committee*

OR

- *It has been approved in advance by the Corporate Secretary or other legal counsel for CP.*

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, or a person designated by him 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.

Investor relations material shall be contained within a separate section of CP's Web site and 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 disclosures. All data posted to CP's Web site, including text and audiovisual material, shall show the date that the material was posted. 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 non-public material information relating to CP. Any disclosure of non-public material information on CP's Web site will be preceded by the issuance of a news release or dissemination by other appropriate means.

INTERNET CHAT ROOMS

In order to ensure that no non-public material information is inadvertently disclosed, directors, officers and employees of CP are prohibited from participating in Internet chat rooms or newsgroup discussions on matters pertaining to CP's activities or its securities.

Any director, officer or employee of CP who becomes aware of a discussion pertaining to CP on the Internet must advise a member of the Disclosure Policy Committee as soon as possible.