NEWS

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Canadian Pacific Limited

135th Annual General Meeting

Event Date/Time: May 10, 2017 – 11.00am ET
Length: 85 minutes

CORPORATE PARTICIPANTS

Scott MacDonald
Canadian Pacific Limited — Senior Vice President, Operations

Andrew Reardon
Canadian Pacific Limited — Chairman of the Board

Keith Creel
Canadian Pacific Limited — President and Chief Executive Officer

CONFERENCE CALL PARTICIPANTS

Jeff Ellis
Canadian Pacific Limited — Chief Legal Officer and Corporate Secretary

Max Duguay
Canadian Pacific Limited — Director, Corporate Reporting

Jennifer Cheung
Canadian Pacific Limited — Manager, Corporate Accounting

Scott Cedergren
Canadian Pacific Limited — Assistant Corporate Secretary

Andrew Elford
Canadian Pacific Limited — Director, Investor Relations

Dave Sheridan
Canadian Pacific Limited — General Counsel Securities & Commercial

Chris Burns
Canadian Pacific Limited — Specialist, Shareholder Management

Dan Killick
Canadian Pacific Limited — Legal Counsel

John Brooks
Canadian Pacific Limited — Senior Vice-President and Chief Marketing Officer

Robert Johnson
Canadian Pacific Limited — Executive Vice-President, Operations

Marty Cej
Canadian Pacific Limited — Assistant Vice President, Public Affairs and Communications

Andrew Pollacks
Shareholder

Andy Cummings
Shareholder

Jim Pissot
Shareholder

Vanessa DiFruscia
Shareholder

Christine Brown
Shareholder

Dr. George Lambros

PRESENTATION

Scott MacDonald — Senior Vice President, Operations, Canadian Pacific Limited

Okay. Good morning. My name is Scott MacDonald. I am the Senior Vice President of Operations at Canadian Pacific.

At CP, safety is extremely important, so you're going to have to bear with me for a few minutes as I walk through our safety procedures and protocols.

First off, if we have a medical emergency we have CP uniformed officers and plainclothes officers in the room here. If there is a medical emergency, they'll provide immediate first aid, and then they will phone and direct 9-1-1 services to this building.

If for some reason we have to evacuate the building, we will take direction from the public address system. There are three exits behind you. We'll go through those doors in an orderly manner, and we will muster in the parking lot directly adjacent to the building.

Just a few other tidbits. There are washrooms in this building. They're off to your right and down the hallway.

And you'll notice when you walked in here, even though we have beautiful red carpet on the floor, this is an active railyard, rail office area where we do maintenance on the machinery in here, so there are tracks underneath the carpet. Be very careful the way that you walk; there's uneven surfaces.

If everyone could, please, put their cell phones on mute for the AGM.

And without any further ado, welcome again to our annual general meeting. And I'll introduce our Chairman, Mr. Andy Reardon, to come to the mic. Thank you.

Andrew Reardon — Chairman, Canadian Pacific Limited

Thank you, Scott, and good morning, ladies and gentlemen. My name is Andrew Reardon, and I'm Chairman of the Board of Directors of Canadian Pacific.

It's indeed a pleasure to welcome everybody here this morning. This is CP's now 135th annual general meeting. And I also want to welcome those, by the way, who are listening via the webcast over the Internet.

With me on the platform today are Keith Creel, our Chief Executive Officer, and Jeff Ellis, our Chief Legal Officer and Corporate Secretary.

I now call the meeting to order. I will act as Chairman of the meeting, and Jeff Ellis will act as Secretary.

I hereby appoint Mark Thompson and Phillip Munday from Computershare Investor Services Incorporated to act as scrutineers for today's meeting.

The Secretary has already deposited with me a statutory declaration establishing the sending of a notice of the time and place of this meeting to each shareholder entitled to vote, to each director, and to the auditors of Canadian Pacific, all as required by law.

The scrutineers have confirmed that a quorum is present, and their final report will be kept with the records of this meeting.

I declare that the meeting has been regularly called and properly constituted for the transaction of business.

But before we commence the formal business of this morning's meeting, I would like to share with you a few thoughts, both with regard to the past year of 2016 and with respect to some more recent developments.

As all of us here today are well aware, history blankets the storied shared journey between this great nation of Canada and the Canadian Pacific Railway, without which, by the way, there would be no Confederation of Canada as we know it today. So it seems only appropriate that as we celebrate the 150th anniversary of Canada and as they commence their next state of life, that we also celebrate our journey and celebrate the fact that we also are commencing our next stage of future growth.

However, even though our journey has been long and it's deep with rich history, there is not to Canadian Pacific Railway a birthright, nor the manifest destiny of continued success. Manifest destiny of success only exists when effective leaders make it so.

And as Keith Creel recently noted, and I quote, "We can take great pride in our past. And now that we have regained our place as a leader in this industry, we can look to the future with the same boldness that created this railroad in the first place."

What has transpired over the past five years has been a most remarkable turnaround. The foundation for success has been laid, and Canadian Pacific is well positioned on a path of continuous improvement.

It's also significant to note today in particular that our operating team is with us today, and they were also highly instrumental in that turnaround.

What we've witnessed in this year is truly a seamless transition from the turnaround of Hunter Harrison to the Keith Creel of our long-term growth into the future. The transition was one that our management team has actually been preparing since 2012, the year of the proxy contest.

But for all the focus on what's changed at CP, there is much that has not changed. For our values, our approach to railroading, our approach to safety and community there's much that has remained the same and should remain the same.

Our firm commitments to safety have not changed. They're simply just a relentless approach to emphasizing safety, as well as to our future economic growth.

Amid these virtues there lurks a very, very substantive reality, and that is that our ambitious future is now.

Volume growth, as those of you in the railroad industry have known, has been difficult to come by in the past couple of years, and also selling transportation on a commodity basis is a losing proposition. However, our new CEO, Keith Creel, and his team understand intuitively that the way to grow this franchise is by getting inside of the supply chains of our ultimate customers.

We have a network which in many corridors offers the most direct route. Combine that with industry-leading service, which we have, and then our marketing and sales team has a product which they can sell.

The CP team was able over the past couple of years to maintain discipline in cost control. That will continue. And as we go forward, we have reason to believe that the year, this year in particular, volumes will move in the right direction. And I am confident that we have the right team to execute on that.

I believe it's also well worth noting that in my 40 years in the railroad industry, Canadian Pacific has a management team that is second to none. Moreover, it is led by Keith Creel, an infectious, energetic leader with a deep knowledge and passion for this business. Predictably this team's passion for its mission is closely, closely intertwined with our financial strength.

As a board, our most solemn duty is to ensure that we are overseeing the operation of a safe railroad every day. I am proud to report that for 11 years running, Canadian Pacific has had the lowest accident rate of any North American Class I railroad.

Maintaining such an impressive record requires our people from our headquarters all the way across our system to think of safety every minute of every day, which indeed they have done, which is why we have such impressive safety results. Not only their results, but their efforts are extremely inspiring. Thank you.

Our employees are the ones who make it possible for all of us to be here today. I could not be more proud for us on this team of what they have accomplished.

Developing people is, as you know, one of our five foundations on which we do business. As a Canadian Pacific family we know that what we do matters, and why we do it matters even more.

As a company, all participants must, to borrow the title from one of Hunter Harrison's books on railroading, they must understand how we work and why. Employees want and deserve to be a part of something bigger than themselves when they participate here at Canadian Pacific.

We need for them to feel that passion of being part of an economic and dynamic company with a storied past, but that's in the business of moving North America's economy forward.

To that end, Keith Creel recently completed a series of town hall meetings across the CP system. Employees brought

their concerns, their questions, their criticisms, and their ideas directly to the CEO.

They were frank about areas in which they had concerns, and they wished to see changes in various elements in their workplace. They also took the opportunity to ask probing questions about where our journey will lead us, and what challenges certainly lie ahead and how we will handle those challenges.

It was a reminder to our leadership team that we need to keep our employees informed at all times, and we need them to help understand what we do, how we do it, why we do it, and to inspire them.

Keith expressed to me that he found these town hall meeting to be of enormous value, and he intends to continue those meeting on an ongoing basis into the future.

One question that came up a few times at the town hall meetings, which I found interesting, is what we're doing at CP to foster diversity at all levels of the enterprise. It's a fair question, and one I suspect that many of you may share.

So here's my answer. Starting at the board level, we're quite diverse and continuing to foster greater diversity. A new initiative we joined onto this year was the so-called 30% Club in Canada, which is devoted toward providing board seats to qualified female candidates of some of Canada's premier companies across the board. So placing those women in the 30 percent of those seats at member companies has been the initiative of the 30% Club.

I'm proud to tell you that here at Canadian Pacific, we've exceeded that. We're at the 40 percent level of diversity on our board, and that's a very important initiative. Thank you.

At the executive level they also recognize the need to make diverse hires. It is a CP priority to bring diversity to all levels not only of the executive suite, but all levels throughout the entire organization.

Canadian Pacific operates on the basis of certain proven fundamentals, the starter of which is, and most fundamental of them all, is that we exist solely because of the shareholders; shareholders who decided to invest in Canadian Pacific, decided to take a risk, which is why we are here today in response to their risk that they have taken.

As you're probably aware, Canadian Pacific made changes to its executive compensation practices this year as a direct result of feedback that we received from our shareholders. Our commitment as directors, to uphold the highest standards of corporate governance, and that will remain our mission.

Our shareholders engagement program, as we call it, shareholder visits, meetings, but our direct engagement with those shareholders, which we commenced in 2016, will continue on into the future. Yes, we initially conducted it in reaction to our failed say on pay vote last year. However, it was a learning process for all of us. We travelled many, many miles.

I, together with the chair of our compensation committee, Isabelle Courville, and Maeghan Albiston, who heads our investor relations department, and John Derry, our Vice-President, Human Resources, we travelled throughout North America more than once and met face-to-face with 45 percent of our shareholders. Other shareholders in addition to that we communicated with at length by other means.

But our purpose was to recognize the fact that you as our shareholders, you own us. You deserve our thoughts. We deserve your thoughts. We want your criticisms. We want your comments in terms of how we can improve our operation. We know that by taking into consideration your thoughts we can only make this organization stronger, and that is our commitment to you as a board.

The board has also undergone considerable change in 2016 and early this year. Hunter Harrison, of course, resigned in January to pursue his other opportunity and new responsibilities, all with the best wishes and blessings of this board.

In the early fall of 2016, Bill Ackman stepped down from the board which he had joined following his successful proxy contest to Canadian Pacific back in 2012. I must say at all times Bill was the exemplary director, and at all times had nothing but the best long-term interests for Canadian Pacific in mind.

I would also like to introduce four new directors who joined our board in the past 12 months. Gordon Trafton contributes to the railroad knowledge on our board, bringing with him experience at three Class I railroads.

Jane Peverett brings valuable knowledge of corporate governance, having served on the boards of Encana, CIBC, and other major Canadian companies. Actually I have a long list here in this booklet. Jane has had a tremendous amount of corporate experience, and we welcome that on our board.

Jill Denham's career includes three decades in the financial services industry. She now serves on the boards of three other companies.

Bill Fatt is an addition which brings us back to our roots with Canadian Pacific Limited. Specifically, Bill at that time more than 20 years ago was chief financial officer for the parent company. Subsequently he served as chief executive officer for a global hotel and hospitality chain.

These four extraordinary individuals bring deep bench strength to what we believe is a premier Canadian board for this iconic company. We've regained our place at the top of this industry. And it's my pleasure to serve you on this board, and further it's an honour for me to serve as Chairman of this board of highly, highly elevated professionals.

So now on to the formal part of the meeting. Please note that after the formal business is concluded and the meeting

terminated Keith Creel will present his formal address to shareholders, after which he will take questions and all other items relating to CP's operations.

To expedite matters, a number of shareholders or proxy holders have agreed to propose and second the motions with respect to this meeting. And while this will help speed the handling of matters, it should not foreclose or prohibit any questions from any shareholder or proxy holder from speaking to any motion after it has been proposed.

If you do not have any questions or comments at the proper time, please proceed to—if you do have questions or comments, please proceed to one of the aisle microphones, and identify yourself and advise whether you are a shareholder or a proxy holder. Please keep your comments brief, and we also request that you ask only one question at a time.

Shareholders who do not wish to address the meeting, but would like to submit a question, may do so in writing and use the bottom of your agenda and then please—and that agenda, by the way, has already been placed on your chairs—and raise your hand and one of the staff will come and collect it from you. I should add also that when those written questions are submitted, management will subsequently respond to you.

There are three matters set out in this meeting to be voted on by the shareholders. We will conduct all substantive items of business by the way of a single ballot.

If you are a registered shareholder or a proxy holder and you have advised that you wish to vote in person at this meeting, you should have received your ballot when you registered for the meeting.

If you completed your ballot and your proxy form or a voting instruction form, it is not necessary for you to vote today. However, if you wish to change your vote, you may do so by voting in person by submitting a ballot at this meeting. Anyone wishing to vote at this meeting who does not have such a ballot, please raise your hand and you will be provided with a ballot.

I think we have one gentleman? Thank you.

I would request that the Secretary provide instructions in respect of completing the ballot.

Mr. Secretary?

Jeff Ellis — Chief Legal Officer and Corporate Secretary, Canadian Pacific Limited

Only the shareholder or proxy holder may use the ballot provided to vote on all matters at this meeting. In particular, one, the appointment of an auditor by placing a mark beside either for or withhold; two, CP's approach to executive compensation, commonly known as say on pay, by placing a mark beside either for or against; and three, the election of directors by placing a mark opposite the names of the nominees for whom they wish to vote.

The ballot should be clearly signed. If you are a shareholder or proxy holder and the space for your name has not been pre-completed, please print your name on the ballot. Ballots will be collected later in the meeting after all matters have been voted on.

Andrew Reardon

Thank you, Mr. Secretary. The first step in today's meeting is the receipt of the consolidated financial statements as included in the 2016 annual report. A copy of that annual report has been made available to shareholders by either hard copy or electronically.

I now place before the meeting the consolidated financial statements and report of the auditor thereon for the year ended December 31, 2016.

The first item of business is the appointment of an auditor. Max Duguay, may I have a motion?

Max Duguay — Director, Corporate Reporting, Canadian Pacific Limited

I move that Deloitte LLP be appointed auditor of Canadian Pacific to hold office until the close of the next annual meeting of shareholders.

Jennifer Cheung — Manager, Corporate Accounting, Canadian Pacific Limited

Mr. Chairman my name is Jennifer Cheung, and I second the motion.

Andrew Reardon

Is there any discussion on the motion? I declare the polls open for the appointment of an auditor.

The next item of business is a nonbinding advisory vote to approve compensation of the corporates named executive officers, commonly known as say on pay. Scott Cedergren, may I have a motion?

Scott Cedergren — Assistant Corporate Secretary, Canadian Pacific Limited

I move that on an advisory basis, and not to diminish the role and responsibilities of the Board of Directors, that the shareholders approve the compensation of the named executive officers of Canadian Pacific as disclosed in the corporation's proxy statement delivered in advance of the 2017 meeting of shareholders in accordance with the compensation disclosures rules of the Securities and Exchange Commission and Canadian Securities Regulatory Authorities.

Andrew Elford — Director, Investor Relations, Canadian Pacific Limited

Mr. Chairman, my name is Andrew Elford and I second the motion.

Andrew Reardon

Is there any discussion on that motion? Sir?

Andrew Pollacks — Shareholder

Hi. Andrew Pollacks (phon) of Calgary, Alberta, shareholder and proxy holder. I only own two shares, but that's tickets to the show and I enjoy AGMs.

On this issue, I disagree with some others, particularly those who would have voted against say on pay last year in that if you look at the change in market cap over the time … of CP Rail over the time that Hunter Harrison and along with him Keith Creel have been providing leadership, I mean it went way up. If you look at more than doubled, the share price more than doubled. Why anybody would complain about the value they're getting from these people is beyond me.

If they look at how many billions of dollars increase there has been in the share price since Hunter Harrison and after him Keith Creel came in to lead this company, I mean just given them 1 percent of that amount and it's way more than they got paid, they're getting paid a pittance relative to the value they bring to the Company.

Thank you very much.

Andrew Reardon

Thank you. I might ask you a question, and that is would you be available to go on our shareholder engagement next year? Thank you.

If there's no further discussion, I declare the polls open for the vote on the advisory vote to approve compensation of the corporation's named executive officers.

The next item of business is the election of directors. In accordance with the articles and bylaws of Canadian Pacific, the Board of Directors has determined that 10 directors are to be elected at this meeting.

I now declare the meeting open for nominations.

Dave Sheridan — *General Counsel Securities & Commercial*, Canadian Pacific Limited

Mr. Chairman, my name is Dave Sheridan, and I nominate the following 10 Canadian Pacific director nominees: the Honourable John Baird, Isabelle Courville, Keith Creel, Jillian Denham, William Fatt, Rebecca MacDonald, Matthew Paull, Jane Peverett, Andrew Reardon, and Gordon Trafton.

Andrew Reardon

I advise that no further nominees have been nominated pursuant to the provisions of CP's bylaws. Therefore, I now declare nominations closed. Chris Burns, may I have a motion?

Chris Burns — Specialist, Shareholder Management, Canadian Pacific Limited

I move that the persons nominated be elected directors of Canadian Pacific, each to hold office until the close of the next annual meeting of shareholders or until such person's successor is elected or appointed.

Andrew Reardon

Thank you.

Dan Killick — Legal Counsel, Canadian Pacific Limited

Mr. Chairman, my name is Dan Killick, and I second the motion.

Andrew Reardon

Is there any discussion on the motion? Hearing none, I declare the polls open for the vote on the election of directors.

We will now pause so that the scrutineers can collect the ballots. If you have a ballot, kindly raise it so the scrutineers can see you, recognize you, and would the scrutineers please proceed now to collect such ballots. And will the scrutineers inform me when you have completed the collection of those ballots? Thank you.

The scrutineers have provided a preliminary report based on proxies received prior to the meeting. I call on the Secretary to report on the preliminary results of the votes.

I note that the Company will report the detailed final voting results, including those votes submitted in person today, following the meeting once the tabulation is complete.

Mr. Secretary?

Jeff Ellis

Deloitte LLP has been reappointed auditor of Canadian Pacific.

The say on pay vote received 71 percent of the votes cast in favour of the resolution.

Each of the 10 nominees has been elected as a director of Canadian Pacific with greater than 95 percent of votes in favour of their election.

Andrew Reardon

I adopt a preliminary report of the scrutineers, and declare the 10 director nominees duly nominated Directors of Canadian Pacific and each of the other matters of business passed.

I direct that the scrutineers' report be annexed to the minutes of this meeting.

Ladies and gentlemen, your duly elected directors of Canadian Pacific Railway are, and I ask each one of them to stand as I call their name, the honourable John Baird, Isabelle Courville, Keith Creel, Jillian Denham, William Fatt, Rebecca MacDonald, Matthew Paull, Jane Peverett, Andrew Reardon, Gordon Trafton.

As there is no other business that may properly be brought before the meeting, this concludes the formal business of the meeting.

I wish to thank all of you for attending, and I now declare this meeting terminated.

Keith, the stage is yours.

Keith Creel — President and Chief Executive Officer, Canadian Pacific Limited

Okay. Let me—I've got to make this declaration. I love all shareholders, those that own millions and those that own two.

So good morning. Listen, let me start by saying thank you. Thank you to the shareholders for placing your trust in this company, in Canadian Pacific, and for your trust in the bright future that lies ahead.

Thank you also for your trust that you placed in me as your leader leading this iconic company, the trust in our senior team, in many of our colleagues that are with us today, and our fellow railroaders all across North America that each of us are honoured to lead. It's an honour and a privilege to be railroading on their behalf day in and day out.

It's a responsibility that I certainly take seriously, as well as our senior leadership team and our other leadership team, one that we bear proudly as we serve CP, as we serve you day to day as we do our jobs to make this the best-run railway in North America.

So stepping back and looking at 2016 just for a moment, 2016 was a year full of challenges. It certainly tested the resilience of our railroading space from economic headwinds, weather challenges, anaemic growth, but with that said, the resilience of this railway and the resilience of this operating model which we stuck to, tried and true precision railroading, allowed us to come out the end of 2016 with tremendous momentum. And allow us actually to come out verifying and solidifying the fact that we have an even brighter future as we look forward.

The Chairman mentioned safety. And as a leadership team, it's our moral obligation and duty day in and day out to ensure that we operate our railway safely for the benefit of our employees, for the benefit of our customers, as well as the communities that we operate in and through. And it's a commitment that I take near and dear to my heart. I always have and I always will.

It's one of my foundational leadership items. And I can tell you, though, one accident or injury is too many.

For us to be able to achieve the last 11 years to lead not just Canada, but the North American industry as the safest railway, is one that we're all extremely proud of. But when we say we're proud of it it's a journey, and I say this often. Running a safe railway is not a destination. You never truly get there.

As soon as you think that you have, as soon as you think you've arrived, that's what we call in the industry the slack runs in and you're going to get knocked out of your seat and you're going to get set back. So it's work that's truly never done.

And unfortunately in certain rare cases we're reminded of that tragedy. We were reminded of that this year. Our obligation, our commitment day in and day out is zero derailments, zero injuries, zero deaths, zero suffering. And while we have done quite well, again unfortunately at times, we do fail.

The railroad family is a very close family. When these type of occurrences, these tragic accidents occur it affects us all deeply. We experienced one of those not long ago this year. We lost a railroader, a signalman in North Dakota in a tragic vehicle accident, Mr. Robert Keith (phon). It was a tough day. Still the family, you can imagine the pain and suffering that we feel for the family, as well that we feel as his family working with him day in and day out. So in honour of Mr. Robert Keith, I want to ask us all to take a moment of silence.

Okay. Thank you.

So as you're likely aware, today actually is my 100th day as the CEO. With that said, over the last 20 years I've had the honour to have worked quite closely with Mr. Harrison. So when I speak of what we've accomplished in 2016 and since this transformation, certainly I'd be remiss not to let everyone understand and appreciate and thank Hunter for his contributions.

His ability and his what I call his effectively the architect of precision railroading, his ability to see the possible, to challenge the status quo, and to create a vision for our team to follow and a road path for us to follow has worked in spades. So the progress that we've made and certainly the success that we've created and the foundation that we've created as we grow forward certainly would not have occurred without Mr. Harrison. So I commend him for that.

But I can tell you this, as the Chairman said, we started to plan this succession for me back in 2013. I arrived February the 2 of 2013. At that time, we laid out a path not only to return this iconic company to its rightful place at the top of the railroad industry, but to stake our claim, most importantly, on a brighter future.

And as the 17th leader of this iconic 136-year-old Canadian corporation in 2017, to say that I'm humbled and I'm proud to be standing shoulder-to-shoulder with what I know to be the strongest and the most talented team of railroaders in this industry,

I'm also honoured and I'm humbled to be walking in the footsteps of visionaries that connected this nation over 130 years ago.

And I can tell you now that our focus today, as their focus was then, was on growth; it's on innovation; building off the strength of the franchise by capitalizing on the strengths of our network, not focusing on some of the challenges of our network, which we enjoy the fastest and the shortest transit times in the key markets that we serve across Canada and across the US.

You couple that network strength with a team of seasoned executives that we built in this company, and I can tell you now that this team, this organization, this franchise, is leveraged to create success for our shareholders, for our customers, and for our fellow employees for decades to come.

In 2016, CP and our nearly just under 12,000 team of railroaders we did face low commodity prices. We faced anaemic growth, as I said earlier. We faced tremendous weather challenges; even the harvest that was delayed. But regardless, we succeeded. We emerged on the other side in a positive faction.

Couple highlights that we're proud of. 2016 we created and produced this team of railroaders 12,000 strong; the lowest operating ratio in this company's history of a 58.6 percent, which is at industry best. And I'm not talking about Canadian industry. I'm talking about North America. That's something to be extremely proud of.

Canadian Pacific was only one of two railroads in North America that produced earnings growth in 2016 in spite of a significant contraction in our business based on the fundamentals of our precision railroad operating model, as executed by the team that we have of talented railroaders at this company.

We produced again our 11th consecutive year of leading the industry as North America's safest railway, and we leveraged the network from a performance and efficiency standpoint and created this success through that precision operating model by driving train length increases, train weight increases, we slashed our dwell time in our terminals by over 7 percent across the network on average, and we drove train speed across the network up by 10 percent.

That said, that's quite remarkable performance. But our focus was not just internal. Our focus also was external. As I said earlier, we have a commitment, an obligation to the communities that we operate in and through.

So through a program that we created several years ago that we call CP Has Heart, in 2016 we committed close to $4 million to heart health research to equipment and to care, bringing the total amount donated since its inception over the last four years to over $10 million, a significant stake and investment in heart health and in the communities and in the people and the citizens of this great country.

All right, let's spend a few moments on the first 100 days. It's great to talk about what we've done, but as a shareholder—and I'm a pretty demanding shareholder myself—you have a right to say what have we done for you lately. We get paid for future earnings, not the things we've done, but what is yet to be done.

So with that obligation in mind, certainly I hit the ground running when I started leading this company and had the honour. Some could say I've had quite a bit of time to get ready for this, and I have. I was patiently waiting in the wings. Hunter knew that it was time, and as he stepped aside, my team, our team that I've built over the past three to four years, we went to work.

And I can tell you this team focusing on the vision that Hunter established for us certainly got a tremendous amount right. You can tell by the financial performance over the last four or five years—someone's called it the greatest turnaround in corporate history—it's something to be proud of. It happened with blood, sweat, and tears and execution. It didn't come easy.

But that said, as much as we got right—and I've talked about this as I've gone out to my town halls—we didn't get it all right; no company ever can. But at the same time, I'm not going to apologize for what had to be done.

This company was in serious trouble to a point that people truly, if you understood, likely would have lost a whole lot of sleep at night for those of us that did. Some of us at the time absolutely we were.

But with that said, focusing on what we did not get right, we're focusing on—and my vision is—to rebuild some of the bridges between our employees; to recreate relationships; the bruises, the buffs, the scuffs, the ruffling of feathers. Doing what must be done is not always the popular thing. But doing the right thing's important as a leader, and that's what we've done.

At this point, though, given that we restored the health of this company—it's a strong franchise—to me for us to take it to the next level of productivity, the next level engagement, we've got to reconnect with our employees. Because I firmly believe a company of 12,000 the more that we get people engaged, the more we have people pulling in the same direction, working collectively as a team, collaborating together, the greater this company will be.

It's the difference between an individual doing what they must do versus doing what they can do. And we all understand when our heart's in it, our mind's in it, we're behind, and we believe in a vision and we put all of our talents toward it then the outcome is going to be far greater than if we're just doing what we had to do to get by. And that's exactly what we're focused on as we go forward and as this team works to change things and to create and focus on the pride that exists in this company.

And it's a pride that I knew that was untapped when I came to this company. I competed against this company quite a long time. I knew as I competed against the Company that there was a lot of pride; that there was a lot of talent; a lot of people that truly cared about railroading; a lot of passion.

There's a gentleman here, Mr. Guido De Ciccio, to my right, he and I have worked together and competed against each other for probably more than a decade. But I learned the passion for this company through him and the commitment to loyalty and he bled CP blood.

So I knew, when I came here—and I said this—it was a sleeping giant. I said it at my first town hall when I came and I spoke in Vancouver over four years ago. It just had to be awoke. Well, this thing has awoken over the past four to five years and it's rolling, and it's rolling strong.

So with that said, to recreate that CP pride and to tap into that, there's something else I knew. Part of what we changed—and I was part of that change—in going to a different logo for the Company, a trademark logo for the Company, we were focusing on the future. We made a decision to change Canadian Pacific to simply CP.

But I knew in my head there was something that tied our employees, their hearts, this company to this country. So one of the first things I did was symbolize that pride and to tap into the pride, and silly as it might sound, but as important as I know it is, we brought the beaver back.

So you'd be amazed across the town halls how well that has been received as we go forward with the Company to bring something that's tied to the proud tradition, to the connection of a company that connected a nation, that the connected the nation to the world is something that we play a critical part in. It's something to be proud of and something that we're going to look forward to. We're not going to forget where we came from, but we're also focused on where we're going.

The town hall. I mentioned that a minute ago. I embarked upon immediately with Marty and his team and the great folks who put this session together today, we travelled the network. We've done seven. We started here in this room.

I think we had over 780 people in here, employees that were just—I don't want to say—I think the right word is they were ready. They were ready to speak. They were ready to be heard. They were ready to understand the vision. And they wanted know what was going to be different.

So to step out and to step into that environment and to create a world and an environment where people are encouraged to speak frankly and freely to me was energizing; to me it was inspiring. We did Vancouver, Calgary as well, Winnipeg, Toronto, Montreal, St. Paul, and Chicago.

So not only was I able to share the vision of the Company as we grow forward, again most importantly I was able to listen. Frank and open discussion. People were able to effectively vent. People were able to share with me what their concerns were so that, again, focusing on what we did not get right we could focus on those things to drive improvement in those areas.

And one of the meaningful changes we made in those areas was around our discipline process. Discipline in a railway, it's almost like having law in a society. You have chaos if you don't have it. But at the same time, it's not a very comfortable thing to have to deal with. It's not a desirable thing to have to discipline any employee.

And some would say and some of the criticisms were that creating a culture of compliance, which is what the objective was, maybe the pendulum swung a little bit too far. And part of it's a learning process. So with that said, we went in and we changed immediately our discipline process, one that's focused on still creating a culture of compliance. I'm never going to apologize for running a safe railway. I'll say that to any employee. I'll say that to any regulator. I'll say that to any shareholder. It's our moral obligation. And again, I take it extremely seriously. But at the same time, by doing that it's our obligation to coach, teach, and train.

We create an environment. We set the tone that demonstrates what we will accept in the workplace. So with that said, the process, the focus of the new process is exactly that: to change behaviour so that people are more likely to comply with our rules and work in a safe and efficient manner day in and day out. And when they don't, we absolutely have to take corrective measures, but again, the appropriate corrective measure to change the process, to change the employee so that they can become a productive and safe employee alongside 99 percent of our other employees.

The labour front, that's another area of significant change, if you can imagine. It's been a challenge for us. We're heading into a new round of bargaining with the ladies and the men that run our trains day in and day out, running trades, for those that may not know the railroad vernacular for it, or the T&E, the TCRC, Teamsters Rail Conference. They are the group that actually represents the running-trades employee.

Back in 2012, prior to the start of this journey, this company was forced to face a strike by the TCRC, by the running-trades employees. It was challenging. And any time you have a strike, I've always believed although sometimes they may be necessary, either maybe the employees feel that way or management might feel that way to protect the Company, nobody comes out unscarred. It's painful. There's suffering associated with it. It's challenging.

And what happened at that time, the leadership team before us, before Hunter and I, made a decision to shut the railway down. They didn't have the capacity or the capability to run the railway. So as they shut the railway down, as you can imagine, not only the employees that run the trains were adversely affected, but also all the support staff; all the crafts that support

the movement of trains, which is by the way what we do day in and day out, they lost their jobs as well. They were laid off. They had economic benefit, they had pain and suffering on their families, and to add insult to injury, as soon as we shut the railroad down the competitors, be it the truck, be it that other rail that was in Montreal at the time, went to work trying to secure our customers.

They stood up. They said, we'll take care of your freight; we'll move it from point A to point B when CP shut down, but we'll only do it for the next 12 months. We're not going to do it for 12 days because we've got to, of course, rightsize our assets. I know that to be true because I was the one having the conversation.

I'm not going to allow that to happen again if I can avoid that. So as we went forward we trained our officers to be prepared to run the railway, and again, we unfortunately faced a strike in 2015. And we did our best to operate the railway, and I think our customers appreciated that.

And I think at the end of the day our employees respected that at the end of the day we're protecting their jobs. Because if they lose the work when they're out on strike, if they come back there's less work, then obviously there's going to be less employees. And the pain and suffering continues.

So with that said, getting prepared for this round of negotiation, I'm going to do all I can to make sure I try to lead my way as long as we protect our principles to a negotiated settlement. So I reached out in the first days of the job to the TCR leadership. I extended an olive branch to the president of the union. And we've since met, and we've talked frankly about reestablishing trust; frankly about the change that we've had to go through. We've agreed to disagree on certain things. But most importantly, we've agreed to try to work together to create a new tomorrow for our employees, for our shareholders, and for our customers.

So we're seized with doing that. We're going to do our dead-level best to make sure that happens, and I'm cautiously optimistic we can come to that outcome.

That said, it if you turn the page except for the TCRC running trades we've had tremendous success in negotiating and ratifying collective agreements. Even in spite of all this change, tremendous success.

As of late, you probably saw in the press just last week the USW, which represents all the clerical employees across the Canadian network—about 600 strong—ratified a five-year deal. Our dispatchers in the US ratified a six-year deal. What does that say? What it says to me is it says that we can do business, we can be reasonable, we can work together collaboratively with our craft employees to further pursue and support the success of this company and of our customers.

And actually, these agreements which are creating and gaining momentum to create success with other agreements that are due for ratification are progressive and forward-thinking to the point that on the out years of the contract if we experience revenue growth—which is what we're all here for—then there's a little bit of upside for the employee as well.

So they take a little lower base rate now in annual wage increase for the opportunity as we grow the Company to share in that benefit as well, which I think is a powerful, powerful model allowing them to have skin in the game, for lack of a better term, as well.

Let's talk about the leadership team. This is something that Hunter gave me the space, which I thank him for, over the last three to four years. He knew that this day would come, and he knew that ultimately I had to take the players to be able to carry this company forward as we go into the future, and I've done exactly that.

And what we've created to me is best-in-class A-players. They're here because they want to be here, they're because they're inspired and lead, and they see the potential in this company. They want to be recognized, they want to add value, and they want to help us achieve that success.

That senior team, again, I'm extremely proud of them. They're here with me today. I'm going to call their names out so that you can put a face with the name. I ask if you could to hold your applause after those that I call out to stand.

And again, this is a small piece of the team of transformational and phenomenal railroaders that we have at this company. So it's certainly—it's not out of respect for our other colleagues. They just are honoured enough to be able to represent them here today.

So first, Robert Johnson, EVP of Operations. Robert and I have been railroading together for over 20 years. It goes back to two railroads ago. You're not taking good instructions, Robert. Now he takes good instructions; his hearing's just not as good as it used to be.

John Brooks, Senior Vice-President and Chief Marketing Officer. Nadeem Velani, Vice-President and Chief Financial Officer. Tony Marquis, Senior Vice-President of Operations for the Eastern region, which includes Eastern Canada, as well as the US operations. Mr. Mark Redd, Senior Vice-President Western Region operations. Mr. Scott MacDonald, Senior Vice-President Operations for the system. Mr. Laird Pitts, VP, Chief Risk Officer, and other things that if I were to tell you he probably would have to kill me.

Jeff Ellis, Chief Legal Officer. Mike Redeker, Vice-President Chief Information Officer; John Derry, Vice-President Human Resources; Mike Foran, VP Market Strategy Asset Management; James Clements, VP Strategic Planning and Transportation Services.

Shareholders, this is your leadership team. Thank you. All right, I'm proud to say also this team with their focus on providing service, controlling our costs, and operating safely, again we were able to generate solid results. We established, most importantly, the momentum that we're enjoying today; revenues over 1.6 billion in the first quarter of 2017, 1 percent up from the same period last year. Most importantly, we turned the corner in March and got to actually positive RTM growth, which has carried strong into the second quarter.

Our adjusted operating ratio of 61.3 percent, and again, EPS of $2.50 for the quarter exceeded expectations of the marketplace, and clearly put us on track to achieve the guidance that we set out for this year.

And as I said in our release, given the strength of the foundation as we've demonstrated by our earnings potential rooted in our precision scheduled railroading model, we are poised to write the next chapters of success in the story focused on sustainable, profitable growth. Those are key words: sustainable and profitable growth. Not growth just for the sake of growth: sustainable and profitable.

Speaking back to the pride point, this is something I'm extremely proud to announce today. We all understand the pride in Canada, the pride in this company, the pride in this country. This year is the 150th anniversary of Canada. So let me share a few words about that.

To celebrate that before I conclude my remarks, I'm happy to announce we're going to reveal a project that we've kept under wraps for some time, which we're extremely honoured to participate in.

So in recognition of Canada's 150th birthday, we're going to invite communities to come together and to celebrate. We're going to run a special Canada 150 train across the nation that we helped connect 130 years ago that again connected Canada to the world.

We're going to start in Vancouver July the 28th, stopping in all the major cities as we cross the continent over to Montreal, ultimately land in Ottawa on August the 20th. And our stops along the way we're going to focus on reconnecting all generations of Canadians to their shared history with the railroad while gathering and sharing the dreams and the hopes for their future.

The details will be shared in our press release. Let me say this: We're honoured and again proud to reconnect CP to Canada this summer. We've got a quick video we want to show you, then I'll finalize my comments.

[Video Begins]

Did you hear that? Listen closely. What do you hear? Some would say it's a signal for caution or a few idle minutes in your car. But if you listen, really listen to it, you'll hear Canada's battle cry. It's the sound of progress, innovation, and determination; the impossible becoming possible. It's the sound of a dream coming true; the connecting of a nation to become the Canada we are today. Listen again and you'll hear something different. You'll hear immigrants finding refuge and starting a new life, communities being built, families travelling from all corners of the world to experience the majesty of our national parks, and thousands of unsung heroes who risked their lives during two World Wars. It's not just a whistle; it's not just a train. When you hear it, think of a stadium full of fans singing our national anthem for the world to hear. Think of Canada and everything she's brought to you, from her signature taste to the taste of victory. It all started when the train connected our country. The whistle, it's the sound of a nation moving forward. Listen again? What do you hear now?

[Video Ends]

Keith Creel

It makes the hairs on my arm stand up. So listen, let me close with how I started. Again, I'm humbled, I'm honoured, and I'm blessed to be the 17th leader in the CP's remarkable 136-year history.

And I can tell you this, what I consider to be the greatest leader of all time once said this, "To whom much is given much is expected." And I take those words and that obligation seriously. This team takes those words and that obligation seriously as we serve the communities we operate in, as we serve our customers, as we serve our colleagues, and as we serve you, our shareholders. We're committed to creating and sustaining new moments of success in many years in CP's success story.

It's with that sense of pride that I feel in this company and our history and our future that we step into 2017 focused on our core principles which will endear as we reconnect with our employees, and we leverage CP pride and this wonderful strong franchise that we've been blessed to lead day in and day out. Thank you.

So if I will, I'm going to call a couple of my colleagues, senior leadership team up to join me for a Q&A session. We'll open it up. I encourage you to be frank. We'll answer the questions as best we can, and obviously if we can't today then we'll take your name back and we'll get back to you with an appropriate response as quickly as possible.

So if I could call John Brooks, Robert Johnson, Nadeem Velani, Jeff Ellis, and John Derry up to the stage to join me. Save all the tough questions for them and give me the easy ones.

QUESTION & ANSWERS

Andy Cummings — Shareholder

Good morning. My name is Andy Cummings. I am a CP shareholder. In light of the importance of grain to the CP franchise, I was hoping you could talk a little bit about the current crop year, how movement is going and what we can expect for the rest of the crop year? Thank you.

Keith Creel

Okay. John, I think I'll let you talk about the market, and then I'm going to let Robert talk about how the movement's going.

John Brooks — Senior Vice-President and Chief Marketing Officer, Canadian Pacific Limited

Yeah. So we've had a what I would call a roaring successful year in grain. Our dedicated train product that we introduced a couple years ago continues to chug along with tremendous success. It's a product that our customers have been able to depend on and leverage in the marketplace.

As an example, I think April, Mike, we hit it out of the park the largest single biggest grain movement for the month of April we've ever had. So the product's successful; looking forward to the new campaign. We're going to be innovative, we're going to continue to build on that product, and do it with our customers.

Robert Johnson — Executive Vice-President,Operations, Canadian Pacific Limited

Right. Okay. As far as the way the railroad is running right now, it's running very, very well. We see that in record movements of grain, we see it in trip plans, so we're doing very well.

Keith Creel

Let me add one more comment to that, something John talked about, the customer has been well served and we're moving record amount of grain. What's most important to me, though, is we go forward in the future doing things differently. The standard model has always been 112 cars loaded going to the West Coast or going to Thunder Bay for the export grain trains. We're changing that paradigm not only just for Canadian Pacific, but for the Canadian industry. And we're leaders in that.

We have customers, both new, brand-new projects that are being built in Vancouver in G3—you've probably heard about G3 that's been formed—building a state-of-the-art facility in the North Shore designing their facilities to fit our operating model of 134 car-loaded grain trains going to the West Coast. That's almost a 20 percent improvement in productivity in asset terms.

As we move more grain with fewer assets and create capacity not only for more grain as the yields increase and as we grow more grain and to provide reliability in supply chain, but also the other commodities that we operate because we have to move all commodities.

Like shareholders, I love all commodities; not just grain. It's critically important, but we've got a fiduciary responsibility and an obligation to move all freight, and we need to do it well. Whereas in the past unfortunately we've seen some, I think, unnecessary acts by the government to impose upon us sort of picking the winners and picking the losers. We do not want to get back in that environment. We want to make everyone a winner, so this is a key step in being able to do that creating capacity not only for the grain supply chain, which is critical to this country and to this company, but also for other customers and the growth that we're trying to drive.

Vanessa DiFruscia — Shareholder

Hi. My name is Vanessa DiFruscia, and I'm a CP shareholder, and my question is you talked a lot about your first 100 days. And I'm just wondering if you noticed any themes as you met with employees and customers? And what might we expect from your next 100 days?

Keith Creel

Yeah. You know what? I think as much as we've changed and as much change as we drove, one of the themes, this pride theme, I truly expected more animosity, more anger. Now we had some. I'm not going to suggest that we didn't, but it was presented in a fact-based, non-emotional direct and frank manner, respectful manner focused on the issue.

So number one, respect and pride were big themes. There was concern about growth. We've shrunk this company quite a bit to the point of they wanted to know how are we shrank all we're going to shrink, and I would say we're rightsized and we have an obligation to always be rightsized. So of course, they want to know about hiring.

Well, listen, we're going to hire. And we are hiring contrary to what some people may think just to replace attrition alone, but as we grow the Company my commitment to the employee and my commitment to the shareholder is in lockstep with that growth, always recognizing we have to become more productive as we invest your capital dollars there has to be a return, we will be able to grow in volume as we grow the Company. And that was a message well received. And of course, the discipline issue, being level-handed, being fair, being just, 99 people out of 100 reasonable folks understand you have to have a process; you had to have order in society. As long as you treat them fairly and treat them with respect, when you're wrong you're wrong. I mean I know when I'm wrong.

Often we have people tell me that, or sometimes they do, sometimes they don't, but I still know it inside. And if you can accept responsibility and change your behaviour and we have a discipline process that allows employees the space to do that, that's something that's extremely well received.

And I think as a result of that you've seen quite a significant improvement not just in the corporate office, but most importantly out on the ground with the folks that run the trains day in and day out and supporting the movements of trains, you've seen quite, I think, a step in optimism, step in morale, step in productivity, step in hope for the future, which I think is very encouraging. It certainly motivates me and inspires me.

So thank you for asking that question.

Jim Pissot — Shareholder

Mr. Creel, Mr. Rearden, and particularly Mr. Johnson as well, I want to thank you for the opportunity to address the board. My name is Jim Pissot. I'm a shareholder and a resident of Canmore, Alberta. About 10 years ago to the day the Calgary Herald published a thank you that I had drafted to express appreciation for the CP's retrofitting of faulty grain cars that had been leaking excessive amounts of grain in our national parks and elsewhere. I want to repeat that thank you. I think it was a great step forward. I think there are other steps that need to be done.

Grain, as you've mentioned and it says in the annual report is the largest line of business for CP Rail, but 110 tonnes of grain are spilled in our national parks annually according to recent reports. In fact, between 2000 and 2011, 19 grizzlies were killed in Banff National Park. This includes eight females, the reproductive engine of our population, and five cubs that were orphaned when their mothers were killed. You spoke, Mr. Creel, about CP's record of safety, and I applaud that record, but I think that record should also include fatalities of treasured and threatened wildlife in our national parks. I think that is an additional moral obligation that I hope CP will step up to.

Recent research funded by CP Rail warned that spilled grain threatens the rising and unsustainable mortality of grizzly bears, and urged the repair of leaky hopper cars and the limits to cars, grain cars, and grain trains stopping in our national parks and other protected areas.

So my question is two parts. First, since CP has bragged about its record of conservation in our national parks in dealing with grain spillage, have you recorded and will you report to shareholders the amount of grain spilled annually over the last 10 years in our national parks, the time lines and effectiveness of cleanup efforts, and efforts to reduce spillage at the beginning, particularly in our national parks?

The second part of my question involves a number of operational issues that were identified at the beginning of the five-year research program that was just concluded by the University of Alberta, a research program that was funded by a generous grant of $1 million from CP Railway. At the beginning of that research program, a number of operational issues were cited that were worthy of research. These included loading practices, the correct closure of hopper car gates, and spill response. But not one of these operational issues was investigated by researchers. Since the CP had a hand in designing the research, I would like to ask you and your operational team why none of these operational issues were included in the research program?

On the side of this train it notes that CP is the world's greatest travel system and you, Mr. Creel, have stated a number of times, you used the word iconic. I agree. I think CP is an iconic company. Your behaviour at times threatens an iconic grizzly bear population in Canada's iconic national park. As a shareholder, I congratulate what CP has done to date and I urge you to do more and do better.

And I look forward to responses to my questions. I do have written copies of these questions in some more detail that I will provide.

Keith Creel

Okay. Thank you very much. So let me first start by saying animal mortality period is something that we take extremely seriously, not just bears. It's a challenge not just in Banff for the national parks here; it's a challenge across our network. To your point, we have demonstrated that commitment, that concern with a $1 million commitment to research.

Above and beyond that and part of those recommendations from the research, I'm not versed in every one and why we have or haven't, but certainly we'll take those questions, and I can give it to my risk mitigation officer, and they can come back with an appropriate response. But I can say that starting this year as part of the recommendations and the research, we're investing an additional $250,000 to deal with vegetation that attracts wildlife near to the tracks, but also gives wildlife escape routes if they are attracted too.

Now I'd like to say being iconic means we can be perfect; we can't be. And unfortunately when it comes to grain cars, we don't own the grain cars, the preponderance; we own very few. The Canadian government or the provincial governments own the grain cars. And it's not a secret that those grain cars, especially the fleet that CP deploys day in and day out are not the most modern and not to me the best product that's out in the marketplace. But we have this thing in Canada that we're trying to deal with called the MRE which dis-incents us from investing in and doesn't give us any kind of investment assurety spending our shareholders money on replenishing and buying new railcars.

Now that's something we're working with the current administration on. I've talked with and met with the minister myself. And we think as they come out with their review, with the findings of the review that was conducted I guess it's been two years now—we think that's going to occur in the fall—hopefully we get some clarity that allows us to get some kind of assurance so that we can start investing in and creating a better quality railcar for all wildlife so that we don't spill grain anywhere, and we don't have anything to measure. To me that would be euphoria, and we can address wildlife mortality not just for bears, but for all the other animals that we're blessed to have in our national parks and across our right-of-way.

So again, it's something we take seriously. I don't—as iconic as we are and as threatening as it might be to wildlife, the only way I could tell you that it would never happen is to not have a railroad at all running through the national parks. And that would be much more threatening some would say to the economy, to this country. And again, I'm not minimizing our responsibility for the wildlife.

So again, in closing we take it seriously. We're going to continue to work with the national parks. We're going to continue to work with and do all the things we can do to improve ourselves, to mitigate the exposure and the risk with the wildlife that run through our parks.

And for the specific details to your questions, I'm going to ask Laird—where's Laird? Okay. If you could touch base and make sure we get a list of the questions so we can properly address them. But thank you very much.

Jim Pissot

I appreciate your response, and I think we all look forward to continued leadership from CP. Thanks.

Keith Creel

Yes, sir. Thank you.

Christine Brown — Shareholder

Good morning. My name is Christine Brown, and I'm a CP shareholder. With limited ability to build new infrastructure, what is the long-term growth plan for CP and railroads in general?

Keith Creel

Well, you got to define what long term is. So let's focus on the next three to four years. There's a tremendous amount of growth that we're going to repatriate to this railroad. So those of you that don't understand the journey or the history, better said, prior to the last four, five years at least the experience that I had dealing with and competing against this company, we weren't known for reliable service too often. I'm not going to say we weren't—we didn't have some success, but it wasn't something that was our mantra. Running a scheduled railroad wasn't something that we took a tremendous amount of success in, and our customers as a result, those that run supply chains, those that might run a facility in Edmonton, Alberta that may be producing a product that's required to run an assembly line and produce a product, say, in Toronto. If that shipment had to get from point A to point B, there are transportation decision-makers out there in the marketplace that work for our customers. When their job's on the line and they lose their job, if that boxcar or that tank car doesn't get there in a timely fashion because they shut their assembly line down, do you really think they were going to choose CP?

Unfortunately, they did. So what happened is they choose the other alternative, which was the Canadian National because Canadian National took pride in delivering the product on time and in running a scheduled railroad. Well lo and behold, here we are four years later, we're doing the same thing because it works. So now we have credibility to be able to go into our customers, our marketing team, to sell a product. Not sell a price, but sell a product; sell the transportation service; sell the shorter length of our transit times from point A to point B.

So for instance, I'll give you a case in point. And when I talk about this a lot because I'm extremely proud of it, we had a customer up in Edmonton that would ship, say, 25 cars a day that would have to go to Vancouver, and it served a fuel facility. So obviously if you don't get the fuel to the fuel facility and there's no gas to pump to sell to their customers, in the marine world pretty unsatisfied customers. So if you're that transportation decision-maker and you've got to get the product to market or you lose your job, even if you run it at a route that takes a little bit longer, you went CN.

So CN enjoyed this business that originated in a location in Edmonton that we both serve. CP switched it; CN switched it. The contract came up for renewal because of this now credibility we're getting in the marketplace where people will trust us with their shipment. We actually got a voice at the table. We're able to go and sit down with the customer and say, listen, if you own 100 cars—and I will tell you, this case in point is just over 4,000 cars, 4,216, and this is one we discussed not long ago at a sales meeting—if our route is two days faster on an eight-day trip, and I'm talking about circle from load to empty to load to get back to be loaded again, we're 25 percent faster.

If you can depend on that and it's reliable, if you own the cars, which these chemical customers do, at $100,000 apiece they can own 25 percent fewer cars. So they don't need to own 4,000; they need to own 3,000. Well, at US$100,000 apiece, you do the math; that's over $100 million worth of capital.

If you can get that kind of value creation with a customer and they can depend upon you and rely upon you to get it there on time and still run their assembly lines and not jeopardize their business, that's compelling value.

So those kind of stories are starting to gain momentum, domestic intermodal. International intermodal's an area that we're focused on for growth. The energy market. The boxcar business. Not the bulk railroad necessarily; we'll always a big piece of our business is bulk, but our objective is to essentially diversify and not be just focused on bulk and not be just suspect to the commodity prices which we can't control. The price of coal in the world market, the price of grain, the price of potash, we just can't—there's only so much you can do. And we can't do anything about it. So if the price isn't suppressed and that's 40 percent of our business, then we take a 20 percent hit. That's pretty impactful to the shareholder.

So as we grow the more server-defensive business, the boxcar business, which is out there to earn as these contracts come up for renewal, it's going to drive organic growth. And that's part of what our growth story is. Own, again, low-cost, reliable service, and that's what this operating model does for us. So the next three to four years that's what we're focused on.

Now ultimately some are—the elephant in the room. What about consolidation? What about M&A? I was asked that at every town hall meeting. Right now there's so much opportunity, I'm focused on this railroad. We'll cross that bridge when we get to it. I don't know if it's four years; I don't know if it's six years. I will say in my career—I've said this before and I believe in this—25 percent of every shipment in North America, Canada/US, goes to Chicago.

Chicago is a problem. It's a ticking-time bomb. It's a spaghetti bowl of mess. There's way too much traffic that goes there. All the railroads come near the interchange, and it takes very little to turn it upside down. It's almost like if you've flown through Chicago and you get a little weather there, a one-hour delay turns into a two-day delay. That's exactly what happens times 10 in the railroad industry.

We couldn't on a normal day when things are working at its best case take you two days to three days to get to the city from one side to the other because we all go through switching carriers. But on a bad day when winter happens, when those exceptions occur—and they do—it could be two weeks. And then you shut assembly lines down. You give customers bad service.

So again, because of sheer volume growth in transportation, because of the problem of Chicago—and it's sort of—it's the Achilles' heel and it's where everything connects eventually to create capacity because you're not going to build more railroads, consolidation has to occur.

So it's my job and our vision, number one, focus on what we're doing well, grow organically over the next several years, and when that time comes when just by the need to survive, if not by doing it because we want do it and there's another willing party to participate with, consolidation is going to have to occur. And if you're the best-run railway in North America with the best team in North America and there's going to be a dance party, who are you going to pick to dance with? We're going to be pretty good dancers when that time comes. But thank you for asking that question. It's very meaningful for us.

Andrew Pollacks

I also have a question. Again, it's Andrew Pollacks, Calgary, Alberta, beneficial shareholder and proxy holder for two common shares of CP rail stock and—

Keith Creel

Love them big and small.

Andrew Pollacks

Yeah. Thank you very much. Yeah. I mean it's not that I wouldn't prefer to own a couple million shares, but I can't afford to so I own—

Keith Creel

They're at a bargain right now.

Andrew Pollacks

Yeah. Yeah. Yeah.

Keith Creel

Have you seen our multiple?

Andrew Pollacks

You have to have the money to invest, though. And by just buying small amounts, I get to attend AGMs and participate as a shareholder even though only as a minor one.

Keith Creel

Thank you.

Andrew Pollacks

Thanks. My question—oh, and if my questions at times seem friendly it's because I buy shares in the companies that I actually like. And I love the fact, I'm glad to hear various shareholders asking whatever critical questions as well that they have. And I'm very appreciative that shareholders have the opportunity to do that. In practice, I'm going to ask a friendly one. If I come up with some criticisms for some future meeting, maybe I'll express those. But my question this time is what are the most centrally important lessons on leadership and you and your team learned through your years of working with Hunter Harrison? Thank you very much.

Keith Creel

When I say lessons learned, I don't have enough time to tell you about all the positives. Let me tell you about the opportunities. The opportunity to listen a little better; to listen a little closer; to do a better job. And this is—Hunter taught this. There's a power in why; questioning why and understanding why.

We have to do a better job as a leadership team to explain to our employees, to our shareholders, to our customers, and many of those are the same and often are the same why we do what we do and why change is necessary, and what's in it for them. And the better we get at doing that the less resistance we have to that change to the more buy-in we have, the better we'll become at getting that what I call discretionary effort where people are doing what they can do, what they have the potential to do instead of, again, what they have to do.

So to me that is one of the most powerful lessons that I've learned from Hunter and this leadership team that we envision day in and day out. And we all understand. And every time I go somewhere, as good as I think we get sometimes, I get reminded, I get humbled, and I was humbled in Toronto at a town hall meeting where I had not a craft employee, but one of our officers that had been deployed to support running trains when we had times of our challenges for our customers benefit challenge me and say, you know what, Mr. Creel? When you sent me to Vancouver back in December and I was away from my family for two weeks, had you told me why like you just told this group why, I would have felt a lot better about it. My family would have felt a lot better about it.

And I can tell you in that moment I was ashamed. As the leader I was ashamed. I'm accountable for that. We're all accountable for that. But for our own officer not to be told this is what you're doing and this is why you're going there and this is when you can expect to be coming home, and this is what we're supporting so they can rally behind it, not only do we not get his full effort, we affected his family in an adverse way and we affected his moral.

I can't imagine telling my wife that you know what? The phones rang and I'm going to be gone for three weeks, and I don't know when I'm coming home. I used to be an officer in the military. I had that obligation then. I wasn't married at that point. I knew if I were going to stay married one day that probably wasn't a good position to put myself in.

We owe that to our employees. I don't care if they're officers. I don't care if they're craft employees. So again, to me one of the most powerful leadership lessons Hunter taught me is do the right thing, but in doing the right thing you need to explain why, what's in it for people, why it's necessary to change, and if you do that, people generally will come along with you.

So thank you very much for asking that question.

I've got the doctor asking me a question. Is one of you guys going to take this one?

George Lambros

Two thank yous. George Lambros. I'm speaking as a Canadian physician, solely as a Canadian physician. Your commitment to safety is exemplary. When there's a train accident or an event on a railroad, it affects our employees. It affects the public and the environment. When an event doesn't happen, people live their lives, and they continue as though nothing happened. So on behalf of those people that you're protecting, I want to thank you sincerely because we've all seen the devastating effects of a train incident. So thank you, your board, and your operating team for their commitment to safety.

The second thank you, again speaking as a Canadian physician, is the commitment that you've made and your predecessor, Mr. Harrison had made, through the CP Has Heart charitable donations. When you make a donation that is geared towards research you don't often see the immediate effects, but the effects are seen years down the line, sometimes decades. So on behalf of the people that you are helping decades into the future, as a Canadian physician I want to thank you, your board, and your operating team.

Keith Creel

Thank you. It's our honour. Thank you, Doctor.

Unknown Speaker (Retired CP employee)

Good morning.

Keith Creel

Good morning.

Unknown Speaker

I'm a retired employee. I've been retired since 1990, and I come on these properties quite often because we have a pensioners group that meets in the end of the old stores building there. And the first thank you is thank you for that. That's been just great. And the second Tuesday of every month if you want to have a lunch, come on over. We have it for the pensioners. Next month we're having beef on a bun. And we had 52 there yesterday, pensioners. We have 247 registered. But that's really great.

Safety. I started in Weston in 1949, and that's the first thing they told you. They grabbed your ear, snotty-nosed apprentice, and took you into the shop and said that's a grindstone. You get your glasses on. If I see your glasses not on, you're in trouble. And safety came before they said what you do; before productivity. It was just great.

There was another strike where the pension—not the pensioners, but the supervisors and managers ran, 1988. There was a strike and I was in Toronto changing traction motors, and other people were in all those other places. So that was the first one. And we were congratulated on that, and the management gave us little gold pins. And of course, we got some of the other gold, which was kind of nice too.

The Beavers, terrific, terrific. Mr. Velani came out to our meeting; gave a wonderful presentation. Just great. Let's see. There was something else I wanted—oh yes. I do have a question. Can the pensioners get a copy of the video?

Keith Creel

This video?

Unknown Speaker

Yes.

Keith Creel

Absolutely. Yes, sir.

Unknown Speaker

You know where we are.

Keith Creel

Yes, sir. Mr. Marty Cej? Where's Marty?

Marty Cej — Assistant Vice President Public Affairs and Communications, Canadian Pacific Limited

Right here. Up front.

Keith Creel

Okay. This gentleman will be the one that keeps our word. He'll be happy to.

Unknown Speaker

All right. That's the only question I've got. Thank you very much.

Keith Creel

We also—(unintelligible) the pensioners trademarked all of our logos, the history of our logos. Think that's something they'd appreciate as well, given that they contributed. Thank you for your service.

Unknown Speaker

Yeah. I hope that that wonderful bronze profile that we now see out there of Hunter—

Keith Creel

Yes, sir.

Unknown Speaker

—I hope that doesn't become a continuation going down that ramp because it will reduce from its effectiveness. Thank you.

Keith Creel

I understand. Yes. Thank you. Okay. Well, with that said, again, this team is humbled, honoured, and proud to serve. We intend to do that over the next 12 months.

Thank you for your time coming today, thank you for your concern, thank you for sharing your thoughts, and most of all, your support. We look forward to celebrating the success of 2017 with you again next year.

Have a safe trip going home.

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