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More Unions Across North America Call on STB to Reject CN Voting Trust

SMART-TD Chair Representing Kansas City Southern Employees Highlights Negative Impacts Associated with a CN-KCS Combination

CALGARY – June 28, 2021 – Canadian Pacific Railway Limited (TSX: CP) (NYSE: CP) (“CP”) announced today that unions representing railroad employees across the U.S., including SMART-Transportation Division (“SMART-TD”) General Committee GCA-457 representing Kansas City Southern (“KCS”) employees, have written letters urging the Surface Transportation Board (“STB”) to reject Canadian National’s (“CN”) proposed use of a voting trust.

Many of the unions express concerns about job loss, increased CN debt load and regulatory challenges a CN/KCS transaction would face. Excerpts from the letters include:

“If the CN voting trust and proposed merger were granted approval, we fully expect significant job losses on KCS because ultimately the transaction would require either a sale or abandonment of duplicative rail lines. The consequences for SMART-TD members would be uncertain, adverse, and certainly contrary to the public interest.” -- *Sam Habjan, General Chairperson of SMART-Transportation Division General Committee GCA-457, representing approximately 675 trainpersons on the KCS*

“The approval of the CN voting trust by the STB would be risky for the railway industry and quite possibly will negatively impact our SMART-TD members. Approval of the CN voting trust proposal would harm employees of both KCS and CN due to the amount of debt CN will carry and the real possibility that the CN transaction would fail the regulatory test in the end.” -- *Joint letter from Legislative Directors of SMART-Transportation Division in the states of Kansas, Missouri, Louisiana, Texas, Mississippi and Illinois*

“...rejecting the CN voting trust appears to offer better options for rail shippers and we would further anticipate a pro-growth environment in both business and jobs for SMART-TD members.”-- *Richard Lee, General Chairperson of SMART-Transportation Division, representing 41 members in all crafts on the Central Maine & Quebec Railway*

“The approval of the CN voting trust by the STB will adversely affect both our SOO and DM&E-South Engineers and Trainmen. In addition, it would probably set off a round of mergers that will harm the railway industry. Additionally it will harm employees of both the KCS and CN by saddling CN with considerable debt.” -- *Peter Semenek, General Chairman, Brotherhood of Locomotive Engineers and Trainman, representing 570 locomotive engineers and trainpersons on CP (DM&E and SOO)*

“...railroad workers lose with CN’s proposed voting trust. The consequences for our members and Union Brothers and Sisters on both sides of the border will likely be adverse and contrary to the public interest.” -- *Rick Raso, President, Unifor Local 101R, representing 1,500 active CP locomotive and car repair employees in Canada*



NEWS

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Along with the letter, SMART-TD General Committee GCA-457 filed a petition signed by more than 85 KCS employees urging the STB to reject the CN voting trust. Petitions opposing the CN trust have been submitted by railway employees across North America, including locomotive engineers, conductors, dispatchers and others.

Earlier this month, the president of SMART-TD, North America's largest railroad operating union, filed an opposition letter with the STB noting potential negative impacts to SMART-TD members. The Transportation Communications Union/IAM, District Lodge 19 of the International Association of Machinists and Aerospace Workers, and the Teamsters Canada Rail Conference-MWED previously filed letters with the STB opposing the CN/KCS voting trust.

These labor organization letters are part of 330-plus letters to the STB from shippers, communities and other stakeholders expressing concern about CN or the use of a voting trust.

Public Comment Period for CN Voting Trust Ends Today

Allowing CN to close into trust would not be in the public interest because its approval would pre-judge STB review, harm competition, risk CN shifting financial burdens to shippers, and pave the way for additional U.S. rail consolidation. CN's arguments in favor of a trust amount to the claim that CN and KCS should be able to decide what is in the public interest based on which railroad is offering more money to acquire KCS – that argument elevates private interests over the public interest.

CP maintains that a CP-KCS combination is the only viable Class 1 merger that serves the best interests of customers and stakeholders, but also the continent's rail network to enable a new corridor of investment and capacity for the North American economy to grow.

For more information on the transaction and the benefits CP-KCS is expected to bring to the full range of stakeholders, visit FutureForFreight.com.

FORWARD-LOOKING STATEMENTS AND INFORMATION

This news release includes certain forward-looking statements and forward looking information (collectively, FLI). FLI is typically identified by words such as "anticipate", "expect", "project", "estimate", "forecast", "plan", "intend", "target", "believe", "likely" and similar words suggesting future outcomes or statements regarding an outlook. All statements other than statements of historical fact may be FLI.

Although we believe that the FLI is reasonable based on the information available today and processes used to prepare it, such statements are not guarantees of future performance and you are cautioned against placing undue reliance on FLI. By its nature, FLI involves a variety of assumptions, which are based upon factors that may be difficult to predict and that may involve known and unknown risks and uncertainties and other factors which may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by these FLI, including, but not limited to, the following: changes in business strategies and strategic opportunities; estimated future dividends; financial



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strength and flexibility; debt and equity market conditions, including the ability to access capital markets on favourable terms or at all; cost of debt and equity capital; potential changes in the CP share price; the ability of management of CP, its subsidiaries and affiliates to execute key priorities; general North American and global social, economic, political, credit and business conditions; risks associated with agricultural production such as weather conditions and insect populations; the availability and price of energy commodities; the effects of competition and pricing pressures, including competition from other rail carriers, trucking companies and maritime shippers in Canada and the U.S.; North American and global economic growth; industry capacity; shifts in market demand; changes in commodity prices and commodity demand; uncertainty surrounding timing and volumes of commodities being shipped via CP; inflation; geopolitical instability; changes in laws, regulations and government policies, including regulation of rates; changes in taxes and tax rates; potential increases in maintenance and operating costs; changes in fuel prices; disruption in fuel supplies; uncertainties of investigations, proceedings or other types of claims and litigation; compliance with environmental regulations; labour disputes; changes in labour costs and labour difficulties; risks and liabilities arising from derailments; transportation of dangerous goods; timing of completion of capital and maintenance projects; sufficiency of CP's budgeted capital expenditures in carrying out CP's business plan; services and infrastructure; the satisfaction by third parties of their obligations to CP; currency and interest rate fluctuations; exchange rates; effects of changes in market conditions and discount rates on the financial position of pension plans and investments; trade restrictions or other changes to international trade arrangements; the effects of current and future multinational trade agreements on the level of trade among Canada and the U.S.; climate change and the market and regulatory responses to climate change; anticipated in-service dates; success of hedging activities; operational performance and reliability; regulatory and legislative decisions and actions; public opinion; various events that could disrupt operations, including severe weather, such as droughts, floods, avalanches and earthquakes, and cybersecurity attacks, as well as security threats and governmental response to them, and technological changes; acts of terrorism, war or other acts of violence or crime or risk of such activities; insurance coverage limitations; and the pandemic created by the outbreak of COVID-19 and resulting effects on CP's business, operating results, cash flows and/or financial condition, as well as resulting effects on economic conditions, the demand environment for logistics requirements and energy prices, restrictions imposed by public health authorities or governments, fiscal and monetary policy responses by governments and financial institutions, and disruptions to global supply chains.

We caution that the foregoing list of factors is not exhaustive and is made as of the date hereof. Additional information about these and other assumptions, risks and uncertainties can be found in reports and filings by CP with Canadian and U.S. securities regulators. Reference should be made to "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations - Forward-Looking Statements" in CP's annual and interim reports on Form 10-K and 10-Q. Due to the interdependencies and correlation of these factors, as well as other factors, the impact of any one assumption, risk or uncertainty on FLI cannot be determined with certainty.



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Except to the extent required by law, we assume no obligation to publicly update or revise any FLI, whether as a result of new information, future events or otherwise. All FLI in this news release is expressly qualified in its entirety by these cautionary statements.

ABOUT CANADIAN PACIFIC

Canadian Pacific (TSX: CP) (NYSE: CP) is a transcontinental railway in Canada and the United States with direct links to major ports on the west and east coasts. CP provides North American customers a competitive rail service with access to key markets in every corner of the globe. CP is growing with its customers, offering a suite of freight transportation services, logistics solutions and supply chain expertise. Visit www.cpr.ca to see the rail advantages of CP. CP-IR

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