



Date: December 16, 2021

Subject: CP1 Options - Expiration Pricing Consideration

CP1 (adjusted Kansas City Southern options) will be subject to special pricing consideration in expiration processing on December 17, 2021. The pricing consideration is due to the undetermined cash in lieu of fractional shares amount included in the option deliverable of CP1 as indicated below. These options will continue to be subject to normal exercise based on customary exercise thresholds in OCC's Ex-by-Ex processing.

MEMBERS SHOULD ADVISE THEIR CUSTOMERS TO TAKE THE FOLLOWING CONSIDERATIONS INTO ACCOUNT IN DECIDING TO EXERCISE, OR NOT TO EXERCISE, THESE OPTIONS.

CP1

CP1 options are adjusted Kansas City Southern options, adjusted December 14, 2021 (see OCC Information Memo #49750). The deliverable of CP1 options is:

NEW DELIVERABLE

PER CONTRACT:

- 1) 288 Canadian Pacific Railway Limited (CP) Common Shares
- 2) Cash in lieu of 0.4 fractional CP Common Shares
- 3) \$9,000.00 cash (\$90.00 x 100)

As of December 16, 2021, the CP Exchange Agent has not determined the price to be used to determine the cash in lieu amount.

For purposes of calculating a CP1 price for use in expiration processing, OCC will use the following formula:

$$\text{CP1} = 2.884 (\text{CP}) + 90.00$$

For example, if CP closes at 73.66, the CP1 price would be:

$$\text{CP1} = 2.884 (73.66) + 90.00 = 302.44$$

This formula includes an estimate for the value of the cash in lieu amount and not the actual amount applicable in the merger.

ALL CLEARING MEMBERS ARE REQUESTED TO IMMEDIATELY ADVISE ALL BRANCH OFFICES AND CORRESPONDENTS ON THE ABOVE.

For questions regarding this memo, call Investor Services at 1-888-678-4667 or email investorservices@theooc.com. Clearing Members may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email memberservices@theooc.com.