REPORT OF THE PROCEEDINGS

AT THE

THIRTY-SIXTH ANNUAL MEETING

OF THE SHAREHOLDERS OF THE

CANADIAN PACIFIC RAILWAY CO.

HELD ON

WEDNESDAY, MAY 2ND. 1917

AT THE

GENERAL OFFICES OF THE COMPANY AT MONTREAL

CANADIAN PACIFIC RAILWAY COMPANY

REPORT

OF THE PROCEEDINGS AT THE THIRTY-SIXTH ANNUAL MEETING OF THE SHAREHOLDERS HELD AT MONTREAL ON WEDNESDAY, MAY 2ND, 1917.

The meeting assembled, in conformity with the notice convening the same, at noon, at the General Offices of the Company at Montreal.

The Chairman of the Company, Lord Shaughnessy, presided, and the Secretary of the Company acted as Secretary of the meeting.

The notice calling the meeting having been read by the Secretary, the President, Lord Shaughnessy, in moving the adoption of the report on the affairs of the Company for the half-year ended December 31st, 1916, which had been printed and distributed to the Shareholders, said:—

The reason for the change in the date of the Annual Meeting recommended by the Directors is explained in the report of the Company's affairs that I now have the honour to submit for your consideration and approval. The practice of making the fiscal year of railway companies on this continent correspond with the calendar year will henceforth be quite universal, and the desirability of being able to compare this Company's annual statements and statistics with those of other railway companies similarly situated for like periods is manifest.

The revenue statements are very satisfactory. Indeed, the earnings were much better than we had reason to anticipate in October last, but I am afraid that the substantial advance in wages, due in a large measure to the shortage of labour and the abnormal increase in the price of fuel and of all the other articles that we find it necessary to purchase, will have an important bearing on the working expenses in future.

Since the close of the half-year, under an agreement with the Imperial Government, 4% Consolidated Debenture Stock to the amount of $40,000,000, which the Company was empowered to issue and you had authorized, was issued and loaned to the Imperial Treasury for a maximum period of five years, at a premium of ½% per annum over the interest payable on the stock. Provision is made in the agreement for the sale to the British Treasury of this stock in annual instalments, should the Company require money for any of its purposes in Great Britain, and the Treasury reserves the right to purchase all or any of the stock during the five years at the price of 80 per cent. of its face value. The by-law passed by the Directors giving effect to the transaction will be submitted for your sanction.

The plan formulated at the request of the Lords of His Majesty's Treasury for creating and selling Collateral Trust Bonds of the Company to the amount of about $199,000,000 against Debenture Stock and other securities of the Company and its leased lines to be deposited by the Imperial Treasury, fully described in the Annual Report and in the circular to the Shareholders, has, because of financial negotiations and arrangements resulting from the participation of the United States in the European War, been abandoned, for the present at any rate.

In order, however, that the Company may be in a position to co-operate should the occasion arise hereafter, it is proposed, at the instance of the Chancellor of the Exchequer, to ask the Parliament of Canada to grant the statutory powers for which application has been made, and the Special General Meeting will, with your consent, be adjourned to a later date.

The willingness of the Company to lend its name and credit to the Imperial Treasury in connection with financial operations at this juncture is keenly appreciated, and I am asked by the Chancellor of the Exchequer to convey to you the thanks of the Imperial Government for the important assistance that you are ready to give.

The report having been considered, it was moved by Lord Shaughnessy, seconded by Wilmot D. Matthews, Esq., and unanimously

Resolved—That the report on the affairs of the Company for the half-year ended 31st December, 1916, now submitted, be and the same is hereby adopted.

The following resolution approving the amendment of By-law No. 1, changing the date of the Annual General Meeting of Shareholders, was submitted, and on motion of Colin Campbell, Esq., seconded by Alfred Piddington, Esq., was unanimously adopted, viz.:—

Resolved—That the following By-law No. 1, enacted by the Directors on the 12th day of March, 1917, repealing former By-law of the same number, be and the same is hereby approved, that is to say:—

By-law No. 1.

"The Annual General Meeting of Shareholders for the elec-"tion of Directors, and the transaction of business generally, "shall be held on the first Wednesday of May in each year."

The following resolution approving By-law No. 47, Sub-section C, providing for the issue of Consolidated Debenture Stock in denominations of dollar currency, was submitted, and on motion of Sir Vincent Meredith, seconded by J. M. McIntyre, Esq., was unanimously adopted, viz.:—

Resolved—That the following By-law No. 47, Sub-section C, respecting Consolidated Debenture Stock, enacted by the Directors on the 11th day of December, 1916, be and the same is hereby approved, that is to say:—

By-law No. 47—Sub-section C.

RESPECTING CONSOLIDATED DEBENTURE STOCK.

Whereas the Directors, pursuant to the powers in that behalf contained in the Statutes and resolutions of the Shareholders relating thereto, have decided to create and issue $40,000,000 of Consolidated Debenture Stock bearing interest at the rate of 4% per annum and that the same shall be deposited with His Majesty's Treasury upon the terms set out in the resolution of the Directors passed this eleventh day of December, 1916, and it is expedient that the existing by-laws known as By-laws "A" and "B", relating to the Company's Consolidated Debenture Stock, should be made applicable to such issue with such changes as are in this by-law contained:

Therefore, the Canadian Pacific Railway Company hereby enacts as follows:—

1. In this by-law the word "Stock" means Consolidated Debenture Stock authorized to be issued by the Company and which may be issued in denominations of currency, and any word in the singular number means also the plural, unless that be inconsistent with the context.

2. By-laws "A" and "B" respecting Consolidated Debenture Stock, save as specifically altered by this by-law or to the extent to which they may be inconsistent therewith, shall apply to all stock issued in denominations of currency.

3. The stock shall be issued in amounts of $100. each or in multiples of that sum, and shall bear interest at the rate of 4% per annum payable half-yearly on the first days of January and July in each year at the Agency of the Bank of Montreal in the City of New York.

4. Each $100. of stock shall entitle the owner of it to vote as and when £20 sterling of stock would have entitled the holder of it to vote under sub-sections 2 and 3 of section 7 of the Canadian Pacific Railway Act, 1889, if the said issue had been in sterling money instead of currency, the said sum of $100. being hereby declared to be equivalent to £20 sterling for the purpose of the said sub-sections.

5. The Company shall keep at its Agency in the City of New York a written register of the stock issued in currency and shall cause to be entered in such register the name and address of every holder of such stock as well as the amount of stock from time to time belonging to him and the date at which he became the holder.

6. The Company shall also keep at its said Agency a transfer book in which every transfer or transmission of stock shall be recorded, and shall provide a competent Transfer

Agent who shall take charge of such work and perform such other duties and shall be subject to such orders, rules and regulations as shall be from time to time prescribed by the Board of Directors.

7. Every transfer shall be made by an instrument in writing as required by the said By-law "B" save that acceptance thereof shall not be required to be signed by the transferee.

8. Each certificate of stock and the transfer to be endorsed on the back thereof shall be in such form as the Board shall from time to time determine and shall be valid without being under the corporate seal of the Company. The certificate shall be signed by the President or Vice-President, or by such other official as the Board may from time to time appoint for that purpose, and by the Secretary or Assistant Secretary of the Company, and shall be countersigned by the Transfer Agent and the Registrar of Transfers.

9. This by-law shall come into force on the date of the enacting thereof.

The following resolution approving By-law No. 49, Subsection A, providing for the issue of Preference Stock in denominations of dollar currency, was submitted, and on motion of Charles R. Hosmer, Esq., seconded by Sir Thomas Tait, was unanimously adopted, viz.:—

Resolved—That the following By-law No. 49, Sub-section A, respecting Preference Stock, enacted by the Directors on the 3rd day of February, 1917, be and the same is hereby approved, that is to say:—

By-law No. 49—Sub-section A.

respecting preference stock.

Whereas the Directors have decided, pursuant to the provisions of the Canadian Pacific Railway Act, 1916, to permit the conversion of Preference Stock at any time issued from denominations of Sterling money of Great Britain to denominations of currency on the request of the holder thereof and in like manner the re-conversion of such stock from one into the other of the said denominations;

Therefore, the Canadian Pacific Railway Company enacts as follows:—

1. By-law Number 49 of the Company respecting Preference Stock shall, save as specifically altered by this by-law or to the extent to which it may be inconsistent therewith, apply to all Preference Stock converted into denominations of currency.

2. Stock shall be issued in amounts of $100. each or in multiples of that sum, and the dividends thereon shall not at any time exceed 4% per annum and shall be non-cumulative.

3. Every $100. of Preference Stock which may be issued shall give the same rights as to voting as are given by a share of $100. of Ordinary Stock.

4. The Company shall keep at its Agency in the City of New York a written register of the stock issued in currency and shall cause to be entered in such register the name and address of every holder of such stock, as well as the amount of such stock from time to time belonging to him, and the date at which he became the holder.

5. The Company shall also keep at its said Agency a transfer book in which every transfer or transmission of stock shall be recorded and shall provide a competent Transfer Agent who shall take charge of such work and perform such other duties and shall be subject to such orders, rules and regulations as shall be from time to time prescribed by the Board of Directors.

6. Such stock shall be transferable only on the books of the Company at its Agency in the City of New York in person or by duly authorized attorney upon the surrender of stock certificates properly endorsed. No transfer for any sum less than $100. or multiples of $100. will be registered. Every transfer shall be made by an instrument in writing as required by the said by-law save that acceptance thereof shall not be required to be signed by the transferee.

7. Each certificate of stock and the transfer to be endorsed on the back thereof shall be in such form as the Board shall from time to time determine and shall be valid

without being under the corporate seal of the Company. The certificate shall be signed by the President or Vice-President, or by such other official as the Board may from time to time appoint for that purpose, and by the Secretary or Assistant Secretary of the Company, and shall be countersigned by the Transfer Agent and the Registrar of Transfers.

The meeting then proceeded to the election of Directors to replace the four retiring Directors, and on motion of Lord Shaughnessy, seconded by Sir Herbert S. Holt, the following resolution was unanimously adopted, viz.:—

Whereas in pursuance of By-law No. 6, Edward W. Beatty, Esquire, K.C., Hon. Frederick L. Béique, K.C., Hon. James Dunsmuir and Charles R. Hosmer, Esquire, Directors of the Company, retire from office at this meeting;

And whereas four Directors to replace the said retiring Directors, who are, however, eligible for re-election, must be elected at this meeting for the term of four years as provided for in the said by-law;

It is resolved—That a ballot be now taken for the election of four Directors for the term of four years to fill the vacancies created as above stated: that William R. Miller, Esquire, and Lt.-Col. George R. Hooper be appointed scrutineers to take such ballot, and that the poll be closed when five minutes shall have elapsed without a vote being cast at such election.

The ballot having been taken and no further votes having been cast within the specified time, the Secretary read the report of the scrutineers, which declared that Edward W. Beatty, Esquire, K.C., Hon. Frederick L. Béique, K.C., Hon. James Dunsmuir and Charles R. Hosmer, Esquire, had been unanimously elected Directors of the Company for the term of four years from the date of this meeting, and the report was adopted.

In accordance with the notice convening the same the meeting was thereupon made special for the purpose of considering the issue of Collateral Trust Bonds.

In view of His Majesty's Treasury having for the present abandoned the plan under which the proposed issue was to be utilized, as explained by the Chairman at the Annual Meeting just held, it was, on motion of Lord Shaughnessy, seconded by Wilmot D. Matthews, Esq., unanimously

Resolved—That this special meeting of Shareholders do stand adjourned until twelve o'clock noon on Monday, the 13th day of August, 1917.

The meeting then adjourned.

Shaughnessy

Chairman.

E. Alexander

Secretary.

At a meeting of the Board held immediately after the Shareholders' meeting, The Right Hon. Lord Shaughnessy, K.C.V.O., was elected President of the Company, Mr. George Bury and Mr. E. W. Beatty, K.C., Vice-Presidents, and the following were appointed the Executive Committee:

Mr. Richard B. Angus.
Mr. E. W. Beatty, K.C.
Mr. George Bury.
Sir Herbert S. Holt.
Sir Edmund B. Osler, M.P.
The Right Hon. Lord Shaughnessy, K.C.V.O.