

CANADIAN PACIFIC RAILWAY CO/NEW

Form 424B5

May 15, 2018

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Registration No. 333-209819

**Prospectus Supplement**

(to Prospectus dated February 29, 2016)

**US\$500,000,000**

**CANADIAN PACIFIC RAILWAY COMPANY**

**4.000% Notes due 2028**

**Fully and unconditionally guaranteed by**

**CANADIAN PACIFIC RAILWAY LIMITED**

We are offering US\$500,000,000 aggregate principal amount of 4.000% notes due 2028 (the notes). We are a wholly-owned subsidiary of Canadian Pacific Railway Limited. Canadian Pacific Railway Limited will unconditionally guarantee the notes on an unsecured basis.

The notes will bear interest at the fixed rate of 4.000% per year. We will pay interest on the notes semi-annually in arrears on June 1 and December 1 of each year, beginning December 1, 2018. The notes will mature on June 1, 2028. We may redeem some or all of the notes at any time, at the applicable redemption price as described in this prospectus supplement. We may also redeem all (and not less than all) of the notes if certain changes affecting Canadian withholding taxes occur. The notes do not have the benefit of any sinking fund.

The notes and the related guarantees will be part of our and Canadian Pacific Railway Limited's respective unsecured obligations and rank equally with all of our and Canadian Pacific Railway Limited's existing and future unsecured and unsubordinated indebtedness.

**Investing in our notes involves risks. See Risk Factors beginning on page 4 of the accompanying prospectus and in Item 1A. Risk Factors of our Annual Report on Form 10-K for the fiscal year ended December 31, 2017, as they may be amended, updated and modified periodically in the reports of Canadian Pacific Railway Limited filed with the Securities and Exchange Commission.**

**NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS SUPPLEMENT OR THE ACCOMPANYING PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.**

	<b>Per Note</b>	<b>Total</b>
Public offering price <sup>(1)</sup>	99.908%	US\$ 499,540,000
Underwriting commission	0.650%	US\$ 3,250,000
Proceeds, before expenses, to us <sup>(1)</sup>	99.258%	US\$ 496,290,000

**Note:**

(1) Plus accrued interest from May 16, 2018 if settlement occurs after that date.

We do not intend to apply for the notes to be listed on any securities exchange or to arrange for the notes to be quoted on any quotation system. There is currently no established trading market for the notes.

The underwriters expect to deliver the notes to purchasers in book-entry form only through the facilities of The Depository Trust Company ( DTC ) for the accounts of its participants, on or about May 16, 2018.

Joint Book-Running Managers

**Morgan Stanley**  
**BofA Merrill Lynch**

**Barclays**  
**Citigroup**  
Co-Managers

**Wells Fargo Securities**  
**HSBC**

**BMO Capital Markets**  
**RBC Capital Markets**  
**SMBC Nikko**

**CIBC Capital Markets**  
**Scotiabank**  
**Desjardins Capital Markets**

The date of this prospectus supplement is May 14, 2018.

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**ABOUT THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS**

This document is in two parts. The first part, this prospectus supplement, describes the specific terms of the notes we are offering and also adds to and updates certain information contained in the accompanying prospectus and documents incorporated by reference herein. The second part, the base shelf prospectus, dated February 29, 2016, gives more general information, some of which may not apply to the notes we are offering. The accompanying base shelf prospectus is referred to as the prospectus in this prospectus supplement.

**If the description of the notes varies between this prospectus supplement and the prospectus, you should rely on the information in this prospectus supplement.**

**We have not, and the underwriters have not, authorized any other person to provide any information other than that contained in or incorporated by reference herein prepared by or on our behalf to which we have referred you and in any term sheets we authorize and use in connection with the offering of the notes. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement and the prospectus, as well as information we previously filed with the U.S. Securities and Exchange Commission (the SEC) and incorporated by reference herein, is accurate as of the date of such information only. Our business, financial condition, results of operations and prospects may have changed since those dates.**

In this prospectus supplement, all capitalized terms used and not otherwise defined herein have the meanings provided in the prospectus. In the prospectus and this prospectus supplement, unless otherwise specified or the context otherwise requires, all dollar amounts are expressed in Canadian dollars.

Unless otherwise specified or the context otherwise requires, all references in this prospectus supplement and the prospectus to Canadian Pacific Railway, us, we or our refer to Canadian Pacific Railway Company and its subsidiaries on a consolidated basis. In the sections entitled Summary of the Offering and Description of the Notes in this prospectus supplement and Description of Debt Securities and Guarantee in the prospectus, Canadian Pacific Railway, us, we or our refer to only Canadian Pacific Railway Company, without any of its subsidiaries. Our parent corporation, Canadian Pacific Railway Limited, is referred to as CPRL.

Before you invest in our notes, you should read the registration statement of which this document forms a part and this document, including the documents incorporated by reference herein that are described under the heading Where You Can Find More Information.

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**FORWARD-LOOKING STATEMENTS**

This prospectus supplement, the prospectus and the documents incorporated by reference herein include forward-looking information and forward-looking statements within the meaning of securities laws, including the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended (the U.S. Exchange Act) and Section 27A of the United States Securities Act of 1933, as amended (the Securities Act). All forward-looking information and forward-looking statements are based on our and CPRL's current beliefs as well as assumptions made by and information currently available to us and CPRL. Forward-looking information and forward-looking statements in or incorporated by reference herein include, but are not limited to, statements with respect to: the anticipated closing of the offering of the notes, statements concerning CPRL's defined benefit pension expectations for 2018 and through 2021, CPRL's expectations for 2018, including on Adjusted diluted earnings per share, capital expenditures, the Canadian-to-U.S. dollar exchange rate, and the effective tax rate, as well as statements concerning CPRL's operations, anticipated financial performance, business prospects and strategies, including statements concerning the anticipation that cash flow from operations and various sources of financing will be sufficient to meet debt repayments and obligations in the foreseeable future and concerning anticipated capital programs, statements regarding future payments including income taxes and pension contributions, and capital expenditures. Forward-looking information and forward-looking statements typically contain statements with words such as anticipate, believe, expect, plan, financial expectations, key assumptions, will, outlook, should or similar words suggesting future outcomes.

By its nature, our and CPRL's forward-looking information and forward-looking statements involve numerous assumptions, inherent risks and uncertainties, including but not limited to the following factors: changes in business strategies; general North American and global economic, credit and business conditions; risks in agricultural production such as weather conditions and insect populations; the availability and price of energy commodities; the effects of competition and pricing pressures; industry capacity; shifts in market demand; inflation; changes in laws and regulations, including regulation of rates; changes in taxes and tax rates; potential increases in maintenance and operating costs; uncertainties of investigations, proceedings or other types of claims and litigation; labor disputes; risks and liabilities arising from derailments; transportation of dangerous goods; timing of completion of capital and maintenance projects; currency and interest rate fluctuations; effects of changes in market conditions on the financial position of pension plans and investments; and various events that could disrupt operations, including severe weather, droughts, floods, avalanches and earthquakes as well as security threats and the governmental response to them, and technological changes.

The risks and uncertainties of our and CPRL's business, including those discussed above and in documents incorporated by reference herein and as described under Risk Factors in the prospectus and elsewhere herein and therein and in Item 1A. Risk Factors of our Annual Report on Form 10-K for the fiscal year ended December 31, 2017, could cause our and CPRL's actual results and experience to differ materially from the anticipated results or other expectations expressed. In addition, we base forward-looking information and forward-looking statements on assumptions about future events, which, although reasonable when made, may not prove to be accurate.

In light of these risks, uncertainties and assumptions, prospective investors should not place undue reliance on forward-looking information and forward-looking statements and should be aware that events described in the forward-looking information and forward-looking statements set out in this prospectus supplement, the prospectus and the documents incorporated by reference herein and therein may not occur.

We cannot assure prospective investors that our future results, levels of activity and achievements will occur as we expect, and neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking information and forward-looking statements. Except as required by law, we and CPRL undertake no

obligation to update publicly or otherwise revise any forward-looking information or forward-looking statement, whether as a result of new information, future events or otherwise.

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CPRL publishes its consolidated financial statements in Canadian dollars. In this prospectus supplement, unless otherwise specified or the context otherwise requires, all dollar amounts are expressed in Canadian dollars and references to dollars or \$ are to Canadian dollars and references to US\$ are to United States dollars.

The following table sets forth the Canada/U.S. exchange rates on the last day of the periods indicated as well as the high, low and average rates for such periods. The high, low and average exchange rates for each period were identified or calculated from spot rates in effect on each trading day during the relevant period. The exchange rates shown are expressed as the number of U.S. dollars required to purchase one Canadian dollar. These exchange rates are based on those published on the Bank of Canada's website as being in effect at approximately noon on each trading day (or beginning on March 1, 2017, the daily average exchange rate on each trading day) (the Bank of Canada rate). On May 11, 2018, the Bank of Canada rate was US\$0.7825 equals \$1.00.

	Year Ended December 31,			Three Months Ended	
	2017	2016	2015	2018	2017
Period End	US\$ 0.7971	US\$ 0.7448	US\$ 0.7225	US\$ 0.7756	US\$ 0.7513
High	US\$ 0.8245	US\$ 0.7972	US\$ 0.8527	US\$ 0.8138	US\$ 0.7683
Low	US\$ 0.7276	US\$ 0.6854	US\$ 0.7148	US\$ 0.7641	US\$ 0.7400
Average	US\$ 0.7708	US\$ 0.7555	US\$ 0.7833	US\$ 0.7910	US\$ 0.7555

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**SUMMARY OF THE OFFERING**

*The following is a brief summary of some of the terms of this offering. For a more complete description of the terms of the notes, see Description of the Notes in this prospectus supplement and Description of Debt Securities and Guarantee in the prospectus.*

<b>Issuer</b>	Canadian Pacific Railway Company
<b>Securities Offered</b>	US\$500 million aggregate principal amount of 4.000% notes due 2028.
<b>Interest Rate and Payment Dates</b>	<p>The notes will bear interest at the fixed rate of 4.000% per year, payable semi-annually in arrears on June 1 and December 1 of each year, beginning December 1, 2018.</p> <p>Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months.</p>
<b>Maturity Date</b>	June 1, 2028.
<b>Guarantee</b>	CPRL will unconditionally guarantee the notes on an unsecured basis. See Description of the Notes .
<b>Ranking</b>	The notes and the related guarantee will be unsecured obligations ranking <i>pari passu</i> with all of our and CPRL 's respective existing and future unsecured and unsubordinated indebtedness. The notes and the related guarantee will be structurally subordinated to all existing and future liabilities, including trade payables and other indebtedness, of any of CPRL 's subsidiaries (other than CPRC). See Description of Debt Securities and Guarantee Ranking in the accompanying prospectus.
<b>Optional Redemption</b>	Prior to March 1, 2028 (the date that is three months prior to the maturity date of the notes), we may redeem the notes in whole or in part, at our option at any time by paying a make whole premium, plus accrued and unpaid interest, if any, to, but excluding, the date of redemption. On or after March 1, 2028 (the date that is three months prior to the maturity date of the notes), we may redeem the notes in whole or in part, at a redemption price equal to 100% of the principal amount of the notes to be redeemed plus accrued and unpaid interest thereon to, but excluding, the date of redemption. See Description of the Notes Optional



Redemption in this prospectus supplement.

We may also, at our option, redeem some or all of the notes at the redemption price described in the prospectus at any time in the event certain changes affecting Canadian withholding taxes occur. See Description of Debt Securities and Guarantee Tax Redemption in the prospectus.

**Form and Denomination**

The notes will be represented by fully registered global securities registered in the name of the nominee of DTC. Beneficial interests in

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any registered global security will be in denominations of US\$2,000 and integral multiples of US\$1,000 in excess thereof. Except as described under *Description of the Notes* in this prospectus supplement and *Description of Debt Securities and Guarantee* in the prospectus, notes in definitive form will not be issued.

## **Change of Control**

If a change of control that is accompanied by a downgrade in the rating of the notes such that the notes are no longer investment grade occurs, we will be required to make an offer to purchase the notes at a price equal to 101% of their principal amount, plus accrued and unpaid interest to the date of repurchase, as described under the heading *Description of the Notes* *Change of Control*.

## **Additional Issues**

We may, from time to time, without notice to or the consent of holders of the notes, create and issue additional notes ranking equally with the notes offered hereby in all respects (or in all respects except for the issue date, payment of interest accruing prior to the issue date of the new notes or except for the first payment of interest following the issue date of the new notes). These additional notes may be consolidated and form a single series with the notes offered hereby, and have the same terms as to status, redemption or otherwise as the notes offered hereby; provided that if the additional notes are not fungible with the notes offered hereby for U.S. federal income tax purposes, the additional notes will have a new CUSIP number and a new ISIN number.

## **Certain Covenants**

The Indenture contains certain covenants that, among other things:

- limit our ability to create liens; and
- restrict our ability to consolidate or merge with a third party or transfer all or substantially all of our assets.

These covenants are subject to important exceptions and qualifications which are described under the caption *Description of Debt Securities and Guarantee* in the accompanying prospectus.

## **Additional Amounts**

We will make payments on the notes without withholding or deduction for Canadian taxes unless required to be withheld or deducted by law or the interpretation or administration thereof in which case, subject to certain exemptions, we will pay such additional amounts as may be necessary so that the net amount received by holders of the notes after

such withholding or deduction will not be less than the amount that such holders would have received in the absence of such withholding or deduction. However, no additional amounts will be payable in excess of the additional amounts that would be payable if the holder was a resident of the United States for the purposes of the Canada-U.S. Income Tax Convention (1980), as amended, and entitled to the benefits thereof. See Description of Debt Securities and Guarantee Additional Amounts in the accompanying prospectus.

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**Use of Proceeds**

The net proceeds to us from this offering will be approximately US\$495.4 million, after deducting underwriting commissions and estimated expenses of the offering. The net proceeds received by us from the sale of the notes will be used primarily for the reduction and refinancing of our outstanding indebtedness and for general corporate purposes. Until utilized for such purposes, the net proceeds may be invested in short term investment grade securities or bank deposits. See **Use of Proceeds** in this prospectus supplement.

**Governing Law**

The notes and the Indenture are governed by the laws of the State of New York.

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**Table of Contents****CANADIAN PACIFIC RAILWAY COMPANY**

We were incorporated by Letters Patent in 1881 pursuant to an Act of the Parliament of Canada. We are one of Canada's oldest corporations. From our inception 137 years ago, we have developed into a fully integrated and technologically advanced Class I railway (a railroad earning a minimum of US\$447.6 million in revenues annually as defined by the Surface Transportation Board in the United States) providing rail and intermodal freight transportation services over a network of approximately 12,500 miles, serving the principal business centers of Canada from Montreal, Quebec, to Vancouver, British Columbia, and the U.S. Northeast and Midwest regions.

We are a wholly-owned subsidiary of CPRL, a publicly-traded corporation whose common shares are listed on the Toronto Stock Exchange and the New York Stock Exchange.

**USE OF PROCEEDS**

We estimate that the net proceeds to us from this offering will be approximately US\$495.4 million, after deducting the underwriting commission and after deducting estimated expenses of the offering of approximately US\$0.9 million. The net proceeds received by us from the sale of the notes will be used primarily for the reduction and refinancing of our outstanding indebtedness and for general corporate purposes. Until utilized for such purposes, the net proceeds may be invested in short term investment grade securities or bank deposits.

**CONSOLIDATED CAPITALIZATION**

The following table summarizes CPRL's cash and cash equivalents and consolidated capitalization at March 31, 2018, and as adjusted to give effect to the issuance of the notes offered by this prospectus supplement and the application of the proceeds of the sale of the notes as described under "Use of Proceeds" in this prospectus supplement. You should read this table together with CPRL's unaudited consolidated financial statements for the three months ended March 31, 2018 and the notes thereto incorporated by reference herein. In the "As Adjusted" column, the U.S. dollar amount of the notes offered hereby has been converted to Canadian dollars using the Bank of Canada closing rate of US\$0.7756 per \$1.00 at March 29, 2018. Other than as set forth below, there have been no material changes to CPRL's share and loan capital since March 31, 2018.

	<b>As at March 31, 2018</b>	
	<b>Actual</b>	<b>As Adjusted</b>
	<b>(millions of dollars)</b>	
Cash and cash equivalents	\$ 125	\$ 764
Long-term debt maturing within one year	756	756
Long-term liabilities:		
Pension and other benefit liabilities	749	749
Deferred income taxes	3,390	3,390
Other long-term liabilities	205	205
Long-term debt	7,601	7,601
Notes offered hereby		639
<b>Total long-term liabilities, including long-term debt maturing within one year</b>	<b>12,701</b>	<b>13,340</b>

Shareholders' equity:		
Share capital	2,022	2,022
Additional paid-in capital	45	45
Accumulated other comprehensive loss	(1,705)	(1,705)
Retained earnings	6,072	6,072
<b>Total shareholders' equity</b>	<b>6,434</b>	<b>6,434</b>
Total capitalization	\$ 19,135	\$ 19,774

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This table sets forth CPRL's consolidated ratio of earnings to fixed charges for the periods indicated.

	Year ended December 31,				
	2017	2016	2015	2014	2013
Ratio of earnings to fixed charges <sup>(1)</sup>	5.9x	5.2x	5.6x	7.5x	4.7x

**Note:**

- (1) For purposes of calculating the ratio of earnings to fixed charges, (i) earnings means: the amount resulting from adding (a) pre-tax income from continuing operations before adjustment for income or loss from equity investees, (b) fixed charges, (c) amortization of capitalized interest, and (d) distributed income of equity investees, and subtracting interest capitalized from the total of the added items; and (ii) fixed charges means the sum of: (a) interest expensed and capitalized, (b) amortized premiums, discounts and capitalized expenses related to indebtedness, and (c) an estimate of the interest within rental expense. These computations are for CPRL and its consolidated subsidiaries.

**DESCRIPTION OF THE NOTES**

*The following description of the terms of the notes supplements the description set forth in the prospectus and should be read in conjunction with Description of Debt Securities and Guarantee in the prospectus. In addition, such description is qualified in its entirety by reference to the Indenture under which the notes are to be issued, referred to in the prospectus. In this section only, Canadian Pacific Railway, us, we or our refer to Canadian Pacific Railway Company without any of its subsidiaries through which it operates.*

**General**

CPRL will fully and unconditionally guarantee the payment of the principal (and premium, if any) and interest, on the notes, any sinking fund or analogous payments payable with respect to the notes and any additional amounts payable with respect to the notes, when they become due and payable, whether at the stated maturity thereof or by declaration of acceleration, call for redemption or otherwise. The notes and the related guarantee will be part of our and CPRL's respective unsecured obligations and will rank equally with all of our and CPRL's existing and future unsecured and unsubordinated indebtedness. The notes initially will be issued in an aggregate principal amount of US\$500 million. The notes will mature on June 1, 2028. The notes will bear interest at the fixed rate of 4.000% per year. Interest will be payable on the notes from May 16, 2018, or from the most recent date to which interest has been paid or provided for, payable semi-annually on June 1 and December 1 of each year, commencing December 1, 2018 (each an Interest Payment Date) to the persons in whose names the notes are registered at the close of business on the next preceding May 15 or November 15, respectively.

Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Interest payments for the notes will include accrued interest from and including the date of issue or from and including the last date in respect of which interest has been paid, as the case may be, to, but excluding, the Interest Payment Date or the date of maturity, as the case may be. If any Interest Payment Date or the maturity date of the notes falls on a day that is not a business day, the related payment of principal, premium, if any, or interest will be postponed to the next succeeding business day, and no interest on such payment will accrue for the period from and after such Interest Payment Date or the maturity date, as the case may be as a result of such delay.

Payment of principal, premium, if any, and interest on the notes will be made in United States dollars.

The notes will constitute a separate series of Securities under the Indenture.

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We may, from time to time, without notice to or the consent of holders of the notes, create and issue additional notes under the Indenture in addition to the aggregate principal amount of notes offered hereby. Such additional notes will rank equally with the notes offered hereby in all respects (or in all respects except for the issue date, payment of interest accruing prior to the issue date of the new notes or except for the first payment of interest following the issue date of the new notes) so that the new notes may be consolidated and form a single series with the notes offered hereby, and have the same terms as to status, redemption and otherwise as the notes offered hereby. In the event that additional notes are issued, we will prepare a new prospectus supplement, provided that if the additional notes are not fungible with the notes for U.S. federal income tax purposes, the additional notes will have a new CUSIP number and a new ISIN number.

Other than the protections which may otherwise be afforded to holders of the notes as a result of the operation of the covenants described in this prospectus supplement and under *Description of Debt Securities and Guarantee* in the prospectus, there are no covenants or other provisions in the Indenture or the notes limiting our ability to seek additional sources of financing, pay dividends or otherwise engage in other capital transactions that might increase our leverage or decrease the amount of assets available to service our debt.

The provisions of the Indenture relating to the payment of additional amounts in respect of Canadian withholding taxes in certain circumstances (described under the caption *Description of Debt Securities and Guarantee Additional Amounts* in the prospectus) and the provisions of the Indenture relating to the redemption of debt securities in the event of specified changes in Canadian withholding tax law on or after the date of this prospectus supplement (described under the caption *Description of Debt Securities and Guarantee Tax Redemption* in the prospectus) will apply to the notes.

The notes will be subject to the provisions of the Indenture relating to the defeasance and covenant defeasance as described in the prospectus under the heading *Description of Debt Securities and Guarantee Defeasance*.

The notes will not be entitled to the benefits of any sinking fund.

## **Optional Redemption**

Prior to March 1, 2028 (the date that is three months prior to the maturity date of the notes), we may redeem the notes in whole or in part, at our option, at any time or from time to time at a redemption price equal to the greater of: (i) 100% of the principal amount of the notes being redeemed; and (ii) the sum of the present values of the remaining scheduled payments of principal and interest thereon that would be due if the notes matured on March 1, 2028 (the date that is three months prior to the maturity date of the notes), (exclusive of any portion of the payments of interest accrued to the date of redemption), discounted to the redemption date on a semi-annual basis at the Treasury Yield plus 15 basis points, plus accrued and unpaid interest to, but excluding, the date of redemption.

On or after March 1, 2028 (the date that is three months prior to the maturity date of the notes) we may redeem the notes in whole or in part, at a redemption price equal to 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest thereon to, but excluding, the date of redemption.

Holders of notes to be redeemed will receive notice of redemption delivered at least 30 and not more than 60 days prior to the date fixed for redemption.

Unless we default in the payment of the redemption price, on and after the redemption date, interest will cease to accrue on the notes or the portions of such notes called for redemption.

*Comparable Treasury Issue* means the United States Treasury security or securities selected by an Independent Investment Banker as having an actual or interpolated maturity comparable to the remaining term of

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the notes to be redeemed (assuming, for this purpose, that such notes matured on the Par Call Date) that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the notes.

*Comparable Treasury Price* means: (i) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations; or (ii) if the Independent Investment Banker obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such Quotations.

*Independent Investment Banker* means one of the Reference Treasury Dealers selected by us or, if such firm is unwilling or unable to select the Comparable Treasury Issue, an independent investment banking institution of national standing in the United States appointed by us.

*Par Call Date* means March 1, 2028, the date that is three months prior to the maturity date of the notes.

*Reference Treasury Dealer Quotations* means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Banker, of the bid and ask prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by such Reference Treasury Dealer at 3:30 p.m. New York time on the third business day preceding such redemption date.

*Reference Treasury Dealers* means each of (i) Morgan Stanley & Co. LLC, Barclays Capital Inc. and Wells Fargo Securities, LLC and/or their affiliates which are primary U.S. government securities dealers in New York City (each, a Primary Treasury Dealer), and their respective successors; and (ii) one other which is a primary U.S. Government securities dealer and its respective successors; provided, however, that if any of the foregoing ceases to be a Primary Treasury Dealer, we will substitute therefor another Primary Treasury Dealer.

*Treasury Yield* means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity or interpolated (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for that redemption date.

**Change of Control**

If a Change of Control Triggering Event (as defined below) occurs, unless we have exercised our right to redeem the notes as described above, holders of notes will have the right to require us to repurchase all or any part equal to US\$2,000 or an integral multiple of US\$1,000 in excess thereof of such notes pursuant to the offer described below (the Change of Control Offer). In the Change of Control Offer, we will be required to offer payment in cash equal to 101% of the aggregate principal amount of notes repurchased plus accrued and unpaid interest, if any, on the notes repurchased, to the date of purchase (the Change of Control Payment). Within 30 days following any Change of Control Triggering Event, we will be required to mail a notice to holders of notes describing the transaction or transactions that constitute the Change of Control Triggering Event and offering to repurchase the notes on the date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed (the Change of Control Payment Date), pursuant to the procedures described in such notice. We must comply with the requirements of Rule 14e-1 under the U.S. Exchange Act, and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the notes as a result of a Change of Control Triggering Event. To the extent that the provisions of any applicable securities laws or regulations conflict with the Change of Control provisions of the Indenture, we will be required to comply

with the applicable securities laws and regulations and will not be deemed to have breached our obligations under the Change of Control provisions of the Indenture by virtue of such conflicts.

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On the Change of Control Payment Date, we will be required to:

- accept for payment all notes or portions of notes properly tendered pursuant to the Change of Control Offer;
- deposit with the paying agent an amount equal to the Change of Control Payment in respect of all notes or portions of notes properly tendered; and
- deliver or cause to be delivered to the Trustee the notes properly accepted together with an officers certificate stating the aggregate principal amount of notes or portions of notes being purchased.

For purposes of the foregoing discussion of a repurchase at the option of holders of notes, the following definitions are applicable:

*Below Investment Grade Rating Event* means the notes are rated below an Investment Grade Rating by at least two out of three of the Rating Agencies (as defined below), if there are three Rating Agencies, or all of the Rating Agencies, if there are less than three Rating Agencies, (the Required Threshold ) on any date from the date of the public notice of an arrangement or transaction that could result in a Change of Control until the end of the 60-day period following public notice of the occurrence of the Change of Control, which 60-day period shall be extended if, by the end of the 60-day period, the rating of the notes is under publicly announced consideration for a possible downgrade by such number of Rating Agencies which, together with the Rating Agencies which have already lowered their ratings on the notes as aforesaid, would aggregate in number the Required Threshold, such extension to continue for so long as consideration for a possible downgrade continues by such number of Rating Agencies which, together with the Rating Agencies which have already lowered their ratings on the notes as aforesaid, would aggregate in number the Required Threshold.

*Change of Control* means the occurrence of any of the following: (i) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or amalgamation), in one or a series of related transactions, of all or substantially all of the properties or assets of us and our subsidiaries taken as a whole to any person (as such term is used in Section 13(d) of the U.S. Exchange Act) other than us, CPRL or any of our or its subsidiaries; (ii) the consummation of any transaction (including, without limitation, any merger or amalgamation) the result of which is that any person (as such term is used in Section 13(d) of the U.S. Exchange Act) becomes the beneficial owner, directly or indirectly, of more than 50% of the then outstanding number of CPRL's voting shares; or (iii) the first day on which a majority of the members of CPRL's Board of Directors are not Continuing Directors.

*Change of Control Triggering Event* means the occurrence of both a Change of Control and a Below Investment Grade Rating Event.

*Continuing Directors* means, as of any date of determination, any member of the Board of Directors of CPRL who (i) was a member of such Board of Directors on the date of the issuance of the notes; or (ii) was nominated for election or elected to such Board of Directors with the approval of a majority of the Continuing Directors who were members of such Board of Directors at the time of such nomination or election (either by a specific vote or by approval of CPRL's proxy statement in which such member was named as a nominee for election as a director, without objection to such nomination).

*DBRS* means DBRS Limited.

*Investment Grade Rating* means a rating equal to or higher than BBB (low) (or the equivalent) by DBRS, Baa3 (or the equivalent) by Moody's and BBB- (or the equivalent) by S&P.

*Moody's* means Moody's Investors Service, Inc.

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*Rating Agencies* means (i) each of DBRS, Moody's and S&P; and (ii) if one or more of DBRS, Moody's or S&P ceases to rate the notes or fails to make a rating of the notes publicly available for any reason outside of our control, a nationally recognized statistical rating organization within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the U.S. Exchange Act, as amended, selected by us (by a resolution of our Board of Directors) as a replacement agency for one or more of DBRS, Moody's or S&P, as the case may be, or if a replacement agency is not selected, the remaining such agencies providing publicly available ratings of the notes.

*S&P* means S&P Global Ratings, a division of S&P Global Inc.

## **Book-Entry System**

The notes will be represented by fully registered global notes, without interest coupons and will be deposited upon issuance with the Trustee as custodian for DTC in New York, New York, and registered in the name of DTC or its nominee, in each case, for credit to an account of a direct or indirect participant as described below. The provisions set forth under Description of Debt Securities and Guarantee Debt Securities in Global Form in the prospectus will be applicable to the notes. Except as set forth below, the global notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee. Except as described under Description of Debt Securities and Guarantee Debt Securities in Global Form in the prospectus, owners of beneficial interests in the registered global notes will not be entitled to receive notes in definitive form and will not be considered holders of notes under the Indenture.

Transfers of beneficial interests in the global notes are subject to the applicable rules and procedures of DTC and its direct or indirect participants, which may change.

## **Certain Book-Entry Procedures for the Global Notes**

All interests in global notes will be subject to the operations and procedures of DTC. The descriptions of the operations and procedures of DTC set forth below are provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to change by them from time to time. We obtained the information in this section and elsewhere in this prospectus supplement concerning DTC and its respective book-entry systems from sources that we believe are reliable, but we take no responsibility for the accuracy of any of this information, and investors are urged to contact the relevant system or its participants directly to discuss these matters.

DTC is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code, and a clearing agency registered pursuant to the provisions of Section 17A of the U.S. Exchange Act. DTC also facilitates the post-trade settlement among direct participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between direct participants' accounts. This eliminates the need for physical movement of securities certificates. Direct participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (DTCC). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. The DTC Rules applicable to its participants are on file with the Securities and Exchange Commission.

*Book-Entry Procedures.* Purchases of notes under the DTC system must be made by or through direct participants, which will receive a credit for the notes on DTC's records. The ownership interest of each actual

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purchaser of each note ( beneficial owner ) is in turn to be recorded on the direct and indirect participants' records. Beneficial owners will not receive written confirmation from DTC of their purchase. Beneficial owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the direct or indirect participant through which the beneficial owner entered into the transaction. Transfers of ownership interests in the global notes are to be accomplished by entries made on the books of direct and indirect participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates representing their ownership interests in the global notes, except in the event that use of the book-entry system for the notes is discontinued.

The deposit of the global notes with DTC and their registration in the name of Cede & Co. do not effect any change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the global notes; DTC's records reflect only the identity of the direct participants to whose accounts such securities are credited, which may or may not be the beneficial owners. The direct and indirect participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

None of DTC, Cede & Co., or any other DTC nominee will consent or vote with respect to the global notes unless authorized by a direct participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an omnibus proxy to us as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants to whose accounts the securities are credited on the record date. These participants are identified in a listing attached to the omnibus proxy.

Principal and interest payments on the global notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit direct participants' accounts upon DTC's receipt of funds and corresponding detail information from us, on the applicable payment date in accordance with their respective holdings shown on DTC's records. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with notes held for the accounts of customers in bearer form or registered in street name. These payments will be the responsibility of these participants and not of DTC or its nominee, us, the Trustee, or any other agent or party, subject to any statutory or regulatory requirements that may be in effect from time to time. Payment of principal and interest to Cede & Co., or any other nominee as may be requested by an authorized representative of DTC, is our responsibility. Disbursement of the payments to direct participants is the responsibility of DTC, and disbursement of the payments to the beneficial owners is the responsibility of the direct or indirect participants.

We will send any redemption notices to DTC. If less than all of the notes are being redeemed, DTC's practice is to determine by lot the amount of the interest of each direct participant in the issue to be redeemed.

A beneficial owner must give any required notice of its election to have its notes repurchased through the participant through which it holds its beneficial interest in the global notes to the applicable trustee or tender agent. The beneficial owner shall effect delivery of its notes by causing the direct participant to transfer its interest in the securities on DTC's records. The requirement for physical delivery of notes in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the securities are transferred by the direct participant on DTC's records and followed by a book-entry credit of tendered notes to the applicable trustee or agent's DTC account.

Transfers between participants in DTC will be effected in accordance with DTC's procedures, and will be settled in same-day funds.

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### **Same-Day Settlement and Payment**

We will make payments in respect of the notes represented by the global notes (including principal and interest) by wire transfer of immediately available funds to the accounts specified by the global note holder. We will make all payments of principal and interest with respect to notes in definitive form by wire transfer of immediately available funds to the accounts specified by the holders of the notes in definitive form or, if no such account is specified, by mailing a check to each such holder's registered address. The notes represented by the global notes are expected to trade in DTC's Same-Day Funds Settlement System.

None of us, any underwriter or agent, the Trustee or any applicable paying agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial interests in a global note, or for maintaining, supervising or reviewing any records.

DTC may discontinue providing its services as securities depository with respect to the notes at any time by giving reasonable notice to us or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, notes in definitive form are required to be printed and delivered to each holder.

We may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, notes in definitive form will be printed and delivered.

## **CERTAIN INCOME TAX CONSIDERATIONS**

### **United States**

The following summary is a discussion of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of the notes by a U.S. Holder, as defined below, that (i) acquires the notes pursuant to this offering at the issue price, as defined below and (ii) holds the notes as capital assets for U.S. federal income tax purposes. This discussion is not a complete analysis or description of all of the possible tax consequences of such transactions and does not address all tax considerations that might be relevant to particular holders in light of their personal circumstances or to persons that are subject to special tax rules. This description of certain U.S. federal income tax consequences does not address the tax treatment of special classes of holders, such as:

- brokers,
- traders that mark-to-market their securities,
- qualified retirement plans,
- tax deferred accounts,
- thrifts,

- financial institutions,
  
  - regulated investment companies,
  
  - real estate investment trusts,
- &nbsp;