CANADIAN PACIFIC RAILWAY COMPANY

OFFICE OF THE PRESIDENT

MONTREAL, December 8th, 1902.

The Company feels that a time has arrived when some provision should be made for Officers and permanent employees who, after long years of faithful service, have reached an age when they are unequal to the further performance of their duties. With this object in view, the Directors, with the approval of the shareholders, have, after a careful study of the question, determined upon a plan of superannuation, the particulars of which are set out in the accompanying rules and regulations.

The system adopted calls for no contributions from the employees themselves.

The Company hopes, by thus voluntarily establishing a system under which a continued income will be assured to those who after years of continuous service are by age or infirmity no longer fitted to perform their duties, and without which they might be left entirely without means of support, to build up amongst them a feeling of permanency in their employment, an enlarged interest in the Company's welfare, and a desire to remain in and to devote their best efforts and attention to the Company's service.

T. G. SHAUGHNESSY,
President.

CANADIAN PACIFIC RAILWAY COMPANY

PENSION DEPARTMENT

RULES AND REGULATIONS

1.—The administration of the Pension Department shall be under the direction of a Committee to be composed of the following Officers of the Company :—

THE PRESIDENT.
THE VICE-PRESIDENTS.
THE CHIEF SOLICITOR.

A SECRETARY shall be appointed who shall have charge of the records of the Department.

The PRESIDENT of the Company shall be *ex officio* Chairman of the Committee.

2.—The office of the Pension Department shall be at Montreal.

3.—All Communications should be addressed to the Pension Department.

4.—Meetings of the Committee shall be held at 10 o'clock in the morning of the first Monday in each month. Other meetings may be held if necessary at the call of the Secretary.

5.—The Committee shall have power:

To make and enforce rules and regulations for the efficient operation of the Pension Department;

To determine the eligibility of employees to receive pension allowances;

To fix the amount of such allowances; and

To prescribe the conditions under which such allowances may inure.

They shall make rules for their own government not inconsistent with these regulations, and from time to time, as required, make reports of their action to the Board of Directors of the Company.

The proceedings of the Committee shall be subject to the approval of the Board.

6.—The benefits of the Pension System shall apply only to those persons who have been required to give their entire time to the Company, or to the Company and some other Company or Companies jointly. In cases of joint employment, and when the whole salary is not paid by this Company, the pension to be paid by this Company shall be estimated upon the proportion of salary or wages received from this Company.

7.—All Officers and employees who have attained the age of sixty-five years shall be retired, and such of said Officers and employees who have been ten years or longer in the Company's service shall be pensioned.

The Committee, however, shall have power to vary the foregoing rule and retain in the service any employee who has reached the age of sixty-five years if in their opinion it is in the interest of the Company to do so;

provided, however, that no employee who has reached the age of sixty-five years without having served ten years continuously in the Company's service, and who shall be retained in the service after he attains the age of sixty-five years, shall be eligible for pension allowance.

8.—Officers and employees between the age of sixty and sixty-five may, at the discretion of the Committee, be retired with a pension either upon the application of such employee or upon the recommendation of the Head of the Department.

The Committee shall have power, subject to the approval of the Board of Directors, to retire with a pension, in special circumstances, employees who have not reached the age of sixty years, and also subject to like approval, to add additional years to the actual term of service when there is sufficient cause for doing so.

Physical examination shall be made of employees recommended for retirement who are under sixty-five years of age, and a report with the recommendation of the Company's Surgeon shall be transmitted to the Committee for consideration in dealing with such cases.

Six months' previous notice shall be given to employees who are to be compulsorily retired.

9.—Retirement shall be made effective from the first days of January or July in each year.

10.—The terms "service" or "in the service" shall refer to employment upon or in connection with any other Railway, Express Company, or Steamship Line operated or controlled by the Company, and the service of any employee shall be considered as continuous from the date since which he has been continuously employed upon such Railway, Express Company, or Steamship

Line; whether prior or subsequent to their control or acquisition by the Canadian Pacific Railway Company; provided, however, that in no case shall such service be counted for any period prior to the incorporation of the Canadian Pacific Railway Company.

11.—In computing service it shall be reckoned from the day since which the person has been in the service to the date when retired.

12.—Leave of absence, suspension, dismissal followed by reinstatement within one year, or a temporary lay-off on account of reduction of forces, need not necessarily be treated by the Committee as constituting a breach in the continuity of the service, and the time when so laid off or absent, unless the employee has during such absence entered other employment, may be allowed by the Committee to count as part of such service.

Persons voluntarily leaving the employment of the Company when their services are required thereby become ineligible for pension allowance.

13.—The pension allowance authorized shall be granted upon the following basis:—

For each year of service an allowance of one per cent. of the average monthly pay received for the ten years preceding retirement, or preceding the date upon which the employee attained the age of sixty-five years, should he be retained in the service after such date; for example, an employee has been in the service for forty years and received on an average for the last ten years sixty dollars per month, the pension allowance would be forty per cent. of sixty dollars, or twenty-four dollars per month.

No pension allowance authorized, however, shall be less than twenty dollars per month.

In calculating the period of service upon which the pension allowance is based, the broken period following the completion of a year, when it is less than six months, shall not be counted; when it exceeds six months, it shall count as an additional year.

14.—When pension allowances are authorized, pursuant to these regulations, they shall be paid monthly during the life of the beneficiary; provided, that the Company may cancel any pension whenever it is established in the opinion of the Pension Committee that the pensioner displays a decided lack of appreciation of the Company's liberality in granting the pension, or is guilty of other serious misconduct.

15.—Pay-rolls covering all pension allowances, showing the names of those to whom such allowances have been made and the amount of such allowances, shall be prepared at the close of each month by the Secretary of the Department; shall be certified by him; shall be countersigned by at least one member of the Committee; and shall be forwarded to the Accounting Department for registration and payment.

16.—The Officer in charge of the Staff Records of the Company shall report to the Pension Department on the first days of January and July in each year, the names with the particulars of service of all employees who will attain, during the ensuing six months, the requisite age for consideration for a pension allowance.

17.—The Secretary of the Pension Department shall keep himself informed of the whereabouts of all employees who have been retired from the service, and shall require

satisfactory evidence from each of such employees, at least once a year, that he still comes within the rules of the Pension Department.

18.—In order that the direct personal relations between the Company and its retired employees may be preserved and that they may continue to enjoy the benefit of the Pension System, no assignment of pensions will be permitted or recognized.

19.—The acceptance of a pension allowance does not debar a retired employee from engaging in other business, but such retired employee cannot so engage in other business nor re-enter the service of the Company, except with the consent of the Committee, without forfeiting his pension allowance.

20.—The establishment and continuance of this system of pensions is entirely a voluntary act on the part of the Company, and as the employees do not in any way contribute towards it, neither the action of the Board of Directors in establishing such a system, nor any other action now or hereafter taken by them or by the Committee in the inauguration or operation of the Pension Department, shall be construed as giving to any Officer or employee of the Company a legal right to be retained in its service, or any legal right or claim to pension allowance. While it is the policy of the Company to encourage its employees to remain with it and by faithful service to earn a pension, the Company expressly reserves its right and privilege to discharge at any time any Officer, Agent, or employee when the interests of the Company, in its judgment, may so require, without liability for any claim for pension or other allowance than the salary or wages due and unpaid.

21.—These rules and regulations shall take effect on January 1st, 1903, and may be altered or repealed from time to time as the Committee, subject to the approval of the Board, may hereafter determine.

Revised to February 9th, 1915.

Canadian Pacific Railway Company.

OFFICE OF THE PRESIDENT

MONTREAL, December 8th, 1902.

The Company feels that a time has arrived when some provision should be made for Officers and permanent employees who, after long years of faithful service, have reached an age when they are unequal to the further performance of their duties. With this object in view, the Directors, with the approval of the shareholders, have, after a careful study of the question, determined upon a plan of superannuation, the particulars of which are set out in the accompanying rules and regulations.

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The Company hopes, by thus voluntarily establishing a system under which a continued income will be assured to those who after years of continuous service are by age or infirmity no longer fitted to perform their duties, and without which they might be left entirely without means of support, to build up amongst them a feeling of permanency in their employment, an enlarged interest in the Company's welfare, and a desire to remain in and to devote their best efforts and attention to the Company's service.

D. C. Shaughnessy

PRESIDENT.

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CANADIAN PACIFIC RAILWAY COMPANY

PENSION DEPARTMENT.

RULES AND REGULATIONS.

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THE PRESIDENT.
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A SECRETARY shall be appointed who shall have charge of the Records of the Department.

The PRESIDENT of the Company shall be *ex officio* Chairman of the Committee.

2. The office of the Pension Department shall be at Montreal.

3. All communications shall be addressed to the Pension Department.

4. Meetings of the Committee shall be held at 10 o'clock in the morning of the first Monday in each month. Other meetings may be held if necessary at the call of the Secretary.

5. The Committee shall have power :

To make and enforce rules and regulations for the efficient operation of the Pension Department ;

To determine the eligibility of employees to receive pension allowances

To fix the amount of such allowances ; and

To prescribe the conditions under which such allowances may inure.

They shall make rules for their own government not inconsistent with these regulations, and from time to time, as required, make reports of their action to the Board of Directors of the Company.

The proceedings of the Committee shall be subject to the approval of the Board.

6. The benefits of the Pension System shall apply only to those persons who have been required to give their entire time to the Company, or to the Company and some other Railway Company or Railway Companies jointly. In cases of joint employment, and when the whole salary is not paid by this Company, the Pension to be paid by this Company shall be estimated upon the proportion of salary or wages received from this Company.

7. All Officers and Employees who have attained the age of sixty-five years shall be retired, and such of said Officers and Employees who have been ten years or longer in the Company's service shall be pensioned.

The Committee, however, shall have power to vary the foregoing rule and retain in the service any Employee who has reached the age of sixty-five years if in their opinion it is in the interest of the Company to do so ; provided, however, that no employee who has reached the age of sixty-five years without having served ten years continuously in the Company's service, and who shall be retained in the service after he attains the age of sixty-five years, shall be eligible for pension allowance.

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8. Officers and Employees between the age of sixty and sixty-five may, at the discretion of the Committee, be retired with a pension either upon the application of such Employee or upon the recommendation of the Head of the Department.

Under special circumstances the Committee shall have the power to retire with a pension employees who have not reached the age of sixty years, and the Committee shall also have the power in special cases to add additional years to the actual term of service, provided that in each case the approval of the Board shall have been first obtained.

Physical examination shall be made of Employees recommended for retirement who are under sixty-five years of age, and a report with the recommendation of the Company's Surgeon shall be transmitted to the Committee for consideration in dealing with such cases.

Six months' previous notice shall be given to employees who are to be compulsorily retired.

9. Retirement shall be made effective from the first days of January or July in each year.

10. The terms "service" or "in the service" shall refer to employment upon or in connection with any other Railways operated by the Company, and the service of any employee shall be considered as continuous from the date since which he has been continuously employed upon such Railways, whether prior or subsequent to their control or acquisition by the Canadian Pacific Railway Company; provided, however, that in no case shall such service be counted for any period prior to the incorporation of the Canadian Pacific Railway Company.

11. In computing service it shall be reckoned from the day since which the person has been in the service to the date when retired.

12. Leave of absence, suspension, dismissal followed by reinstatement within one year, or a temporary lay-off on account of reduction of forces, need not necessarily be treated by the Committee as constituting a breach in the continuity of the service, and the time when so laid off or absent, unless the employee has during such absence entered other employment, may be allowed by the Committee to count as part of such service.

Persons voluntarily leaving the employment of the Company when their services are required thereby become ineligible for pension allowance.

13. The Pension Allowance authorized shall be granted upon the following basis:

For each year of service an allowance of one per cent of the average monthly pay received for the ten years preceding retirement. For instance, an employee has been in the service for forty years and received on an average for the last ten years fifty dollars per month, the Pension Allowance would be forty per cent of fifty dollars, or twenty dollars per month.

In calculating the period of service upon which the Pension Allowance is based, the broken period following the completion of a year, when it is less than six months, shall not be counted, when it exceeds six months it shall count as an additional year.

14. When pension allowances are authorized, pursuant to these regulations, they shall be paid monthly during the life of the beneficiary, provided, however, that the Company may cancel any pension in case of gross misconduct on the part of the Pensioner.

15. Pay-rolls covering all Pension Allowances, showing the names of those to whom such allowances have been made and the amount of such allowances, shall be prepared at the close of each month by the Secretary of the Department ; shall be certified by him ; shall be countersigned by at least one member of the Committee ; and shall be forwarded to the Accounting Department for registration and payment.

16. The Officer in charge of the Staff Records of the Company shall report to the Pension Department on the first days of January and July in each year, the names with the particulars of service of all employees who will attain, during the ensuing six months, the requisite age for consideration for a Pension Allowance.

17. The Secretary of the Pension Department shall keep himself informed of the whereabouts of all employees who have been retired from the service, and shall require satisfactory evidence from each of such employees, at least once a year, that he still comes within the rules of the Pension Department.

18. In order that the direct personal relations between the Company and its retired employees may be preserved and that they may continue to enjoy the benefit of the Pension System, no assignment of Pensions will be permitted or recognized.

19. The acceptance of a Pension Allowance does not debar a retired employee from engaging in other business, but such retired employee cannot so engage in other business nor re-enter the service of the Company, except with the consent of the Committee, without forfeiting his Pension Allowance.

20. The establishment and continuance of this system of pensions is entirely a voluntary act on the part of the Company, and as the employees do not in any way contribute towards it neither the action of the Board of Directors in establishing such a system, nor any other action now or hereafter taken by them or by the Committee in the inauguration or operation of the Pension Department, shall be construed as giving to any Officer or Employee of the Company a legal right to be retained in its service, or any legal right or claim to Pension Allowance. While it is the policy of the Company to encourage its employees to remain with it and by faithful service to earn a pension, the Company expressly reserves its right and privilege to discharge at any time any Officer, Agent or Employee, when the interests of the Company, in its judgment, may so require, without liability for any claim for Pension or other Allowance than the salary or wages due and unpaid.

21. These rules and regulations shall take effect on January 1st. 1903, and may be altered or repealed from time to time as the Committee, subject to the approval of the Board, may hereafter determine.

MONTREAL, November 10th, 1902.