



# BUSINESS ETHICS REPORTING POLICY

Issued by: Board of Directors  
Effective: September 17, 2019

**Scope:** Applicable to all employees, directors, officers, Agents and Associated Entities of CP and its subsidiaries (collectively “CP Personnel”).

## 1.0 Objective

CP’s Code of Business Ethics (the “Code”) confirms CP’s commitment to conducting its business ethically and legally. The objective of this policy is to: (1) help safeguard the integrity of CP’s business dealings and financial reporting by providing a series of options for receiving, retaining and addressing all confidential reports concerning questionable management and/or corporate practices, the potential violation of any law, or the potential violation of the Code; and (2) prevent retaliation against CP Personnel who make reports, in good faith, under this policy.

This policy has been approved by the Audit and Finance Committee of the Board of Directors of CP as the appropriate procedures for: (a) the receipt, retention and treatment of complaints received by CP regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by CP Personnel of concerns regarding questionable accounting or auditing matters.

## 2.0 Purpose

The purpose of this policy is to outline the processes CP has established for CP Personnel and others to report concerns regarding conduct within CP, including questionable management and/or corporate practices, the potential violation of any law, or a potential violation of CP’s Code of Business Ethics. This policy also confirms CP’s commitment to prohibiting retaliation against CP Personnel who make a good faith report under this policy.

## 3.0 Definitions

In this policy, the following words have the following meanings:

- 3.1.1 Agent** means a person or entity retained by CP or its subsidiaries to act on its or their behalf and to represent its or their business interests, while acting in that capacity.
- 3.1.2 Associated Entity** means any outside person or entity performing services on behalf of CP including intermediaries, consultants, representatives, distributors, and contractors, while acting in that capacity.

## 4.0 Statement of Policy

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CP Personnel who reasonably believe that a Violation (as defined below) has occurred or is occurring or who have good faith concerns regarding conduct that may be a Violation, including questionable management and/or corporate practices, or the potential violation of any law, or a potential violation of the Code, must follow this policy when making an internal report of those concerns and when receiving, retaining and addressing a report.

## 5.0 Procedural Steps and Detail

### 5.1 What to Report

You should promptly report, either orally or in writing, all information in your possession that concerns any of the following (each, a “**Violation**”):

- reasonably suspected violations of the law, whether civil or criminal or regulatory, including occupational health and safety legislation and environmental laws;
- reasonably suspected violations of the Code or any other CP corporate policy;
- questionable or irregular accounting, internal accounting controls or any other accounting or audit matters, including fraud or deliberate errors in the preparation, evaluation, review or audit of any of CP’s financial statements or the recording and maintaining of CP’s financial records;
- dangerous practices likely to cause physical harm or damage to any person, property or the environment; and
- failure to rectify or take reasonable steps to report a matter likely to give rise to a significant and avoidable cost or loss to CP.

As CP Personnel, if you are aware of a potential Violation and do not report it according to this policy, your inaction may be considered a Violation itself, which may result in disciplinary action, up to and including termination of your employment or any other relationship that you may have with CP.

When making a report, you should provide as much specific information as possible including names, dates, places and events that took place, your perception of why the incident(s) required reporting and what action you believe should be taken to correct the problem.

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## 5.2 Whom to Report To

If you have knowledge about a Violation, or are aware of any other situation that should be reported, you should contact Legal Services or the Internal Audit Department. If the matter involves a violation of a specific CP policy, you should report the matter in accordance with the reporting procedures, if any, in the relevant policy.

If you do not believe your concern is being addressed, or are not comfortable speaking with one of these contacts, you may report your concerns under this policy (on an anonymous basis, if desired) by contacting the confidential, anonymous and independently managed A-Line Whistleblower Hotline at 888-279-6235, or filing a report at <http://secure.ethicspoint.com/domain/media/en/gui.22547/index.html>.

Nothing in this policy is intended to prevent CP Personnel from reporting information to federal, provincial or state law enforcement agencies when he or she has reasonable cause to believe that the violation of a federal, provincial or state statute has occurred. A report to law enforcement, regulatory, or administrative agencies may be made instead of, or in addition to, a report directly to CP through the CP A-Line Whistleblower Hotline or any other reporting method specified in this policy.

## 5.3 Duty to Cooperate

You have a duty to cooperate in an investigation. If you fail to cooperate or provide false information in an investigation, CP may take effective remedial action depending upon the severity of the improper conduct.

## 5.4 Investigation of Reports

All reports of a Violation made under this policy will be promptly and thoroughly investigated, and, upon request, all information disclosed during the course of the investigation will remain confidential, except as required by law or as necessary to conduct the investigation or take any remedial action.

Where the reported concerns are found to be accurate, and where corrective action has not already been implemented, appropriate steps will be taken to address the issues identified. The specific remedial action taken in any particular case will depend on the nature and gravity of the conduct or circumstances found as the result of an investigation. This action may include disciplinary action against the offending party, up to and including termination of employment or any other working relationship that the offending party may have with CP. Reasonable and necessary steps will also be taken to prevent any further Violation.

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## 5.5 Handling of Reports

Reports of Violations that are submitted by any means specified in this policy will be handled as follows:

### 5.5.1 Reports for Accounting, Auditing Matters and Financial Matters

Reports relating to accounting and auditing will be entered on an accounting and auditing matters log, which will include, among other things: (1) the date the report was received, (2) a description of the report, (3) the reporting party (if provided), and (4) the status and disposition of an investigation of the report.

The Chief Internal Auditor, under the direction of the Chief Risk Officer, will promptly report to the Audit and Finance Committee: (1) reports of Violations of the Code or Violations related to accounting, internal accounting controls, or any other auditing or financial matters that are material to CP, (2) reports of fraudulent financial information, including any such reports that are received by the Chief Internal Auditor or the Chief Risk Officer, but were not initially directed to the Audit and Finance Committee, (3) any Violation related to accounting, internal accounting controls, or any other auditing or financial matters that are material to CP involving the Company's executive officers or directors, and (4) such other matters as the Chief Internal Auditor, under the direction of the Chief Risk Officer, deems significant.

The Audit and Finance Committee shall direct and oversee an investigation of such reports, as well as any reports initially directed to the Audit and Finance Committee, as it determines to be appropriate. The Audit and Finance Committee may also delegate the oversight and investigation of such reports to management, including the Chief Internal Auditor, the Chief Risk Officer or the Chief Legal Officer, or outside advisors, as appropriate.

All other reports regarding accounting or auditing matters shall be reviewed under the direction and oversight of the Chief Risk Officer, who will involve such other parties (such as the Chief Internal Auditor, the Chief Legal Officer, the Internal Audit Department, members of the Finance Department or outside advisors) as deemed appropriate.

The Chief Internal Auditor, under the direction of the Chief Risk Officer, shall provide the Audit and Finance Committee with a quarterly report of all accounting or auditing Violation reports received and an update of pending investigations. The Audit and Finance Committee may request special treatment for any report and may assume the direction and oversight of an investigation of any such report.

### 5.5.2 Other Reports

All other reports will be logged separately and shall be reviewed: (1) under the direction and oversight of the Chief Risk Officer, who will forward them to the appropriate person or department for investigation (for example, employment matters will be forwarded to the Human Resources Department), unless the Chief Risk Officer determines that other departments should be involved or manage the

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investigation (including to avoid any conflict of interest); or (2) in accordance with the procedures in the relevant legislation, agreement (including a collective agreement) or CP policy governing the subject matter of the report.

## 5.6 Confidentiality and Anonymity

Unless otherwise required by law or any legal process, CP will respect the confidentiality of any report received under this policy when requested. Anonymous communications will be accepted. You are encouraged to consider providing your name and contact information in order to assist with follow-up on your allegation or concern. If you choose to remain anonymous and do not provide sufficient detail, CP may not be able to investigate or complete a comprehensive investigation of the report.

## 5.7 No Retaliation

This policy complies with Canadian and United States laws. You will be protected from all forms of retaliation, or threats thereof, including in relation to compensation or other terms and conditions of employment, that are directly related to any report by you of a Violation, if you:

- (a) make the report and disclose any information in good faith and in accordance with the reporting process set out in this policy;
- (b) reasonably believe it to be substantially true;
- (c) do not act maliciously or make false allegations;
- (d) respect the confidentiality of the investigation process; and
- (e) do not seek any personal or financial gain, other than what a government or regulatory authority may provide in accordance with a legislated whistleblower program.

You will also be protected from retaliation for reporting in good faith a violation of the Code or other unethical or unlawful behavior, or for disclosing information, to applicable federal, provincial or state authorities where such protection is required by law, or where such reporting or disclosure is required by law.

## 5.8 Retention of Documents

All documents related to reporting, investigation and enforcement under this policy or relating to the discrimination, retaliation or harassment of an employee who makes a report hereunder, shall be retained in a confidential and restricted manner in accordance with CP's policies and applicable law.

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## 6.0 Responsibilities

### 6.1 Knowledge and Understanding of the Policy

All CP Personnel are expected, as part of their normal duties, to become familiar with and comply with this policy.

### 6.2 Reporting Violations of the Policy

If you believe you have been unfairly or unlawfully retaliated against for making a report under this policy, you may submit a complaint with your supervisor, the Chief Risk Officer or the Chief Legal Officer if you are uncomfortable submitting the complaint with your supervisor. If you are uncomfortable submitting the complaint with a supervisor, the Chief Risk Officer or the Chief Legal Officer, you may file a complaint with the Internal Audit Department or CP's A-Line Whistleblower Hotline, as explained in Section 5.2.

## 7.0 Compliance

CP Personnel who make reports in accordance with this policy will be protected from retaliation or discrimination as described in Section 5.7.

CP Personnel who fail to comply with this policy, or who make deliberately false or malicious reports, will be subject to disciplinary action up to and including dismissal for cause in appropriate cases, and may be subject to further legal action.

## 8.0 Information and Related Policies and Procedures

### 8.1 Related Policies and Procedures:

CP's Code of Business Ethics

Policy 1300: Workplace Harassment – Including Sexual Harassment.

Policy 1301: Equal Employment Opportunity/Affirmative Action.

Policy 1819: Accident, Incident, Injury and Occupational Illness Reporting Policy and Commitment Regarding Intimidation and Harassment.

For Policies 1300, 1301 and 1819, please refer to the Internal Complaint Procedure contained in each of these policies if you want to make a report under that policy.

Related Policies and Procedures can be located on CP Station at <http://intranet.cpr.ca/about-cp/policies>.

For interpretation or additional information on this policy, or for continuous improvement feedback relating to this policy, please contact the Legal Services Department.

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