### Alternate High Visibility Apparel Employee Purchase Program

All Employees (Canada and United States) Issuing Department: Safety & Program Development REVISED July 1, 2002 REVISED December 12, 2006

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#### **Policy Statement**

Canadian Pacific recognizes the safety benefits of increasing the visibility of employees under all workplace conditions. In support of this, the Company provides an Alternate High Visibility Apparel Employee Purchase Program and a subsidy to employees who purchase alternate high visibility apparel.

#### Only CP approved alternate high visibility apparel purchased from AGO Industries can be used in place of CP approved high visibility vests.

### Responsibility

Employees taking advantage of this program should be aware that Canadian Pacific is not responsible for any agreements entered into between the employee and AGO Industries.

Employees are responsible for:

- 1. Initiating the purchase of their alternate high visibility apparel with AGO Industries;
- Arranging payment of fees with AGO Industries;
  Ensuring that the apparel of their choice meets the criteria for a subsidy and;
- 4. Initiating the request for subsidy by forwarding receipt(s) for purchased apparel to the appropriate HR Service Centre, indicating which garments the subsidy is to be applied.

The HR Service Centre is responsible for:

- 1. Monitoring the process and ensuring that subsidy claims meet the criteria outlined in the program;
- 2. Processing subsidies.

### **Process and Application**

Scope

The policy applies to all active Canadian and U.S. employees.

#### Exclusions

Alternate high visibility apparel purchased from other suppliers. Note: Effective July 1, 2002 only CP approved alternate high visibility apparel purchased from AGO Industries is approved for use in place of CP approved high visibility vests. All products previously purchased through AGM Wear are still approved for use on CP property.

#### Subsidy

Employees may purchase CP approved alternate high visibility apparel from AGO Industries only. Employees are entitled to:

- 1. One subsidy per garment, two subsidies per year; or
- 2. Two subsidies may be combined and applied toward the purchase of one garment once per year.

Employees must indicate their desire to combine the two subsidies and have it apply toward the purchase of one garment when submitting their invoice to HR for subsidy reimbursement.

Employees applying for a subsidy must provide supporting documentation in the form of the **original (do not send in copies)** receipt for the garment that meets the above criteria.

Subsidy Amount

Providing the above criteria are met, an employee can apply for a subsidy.

The subsidy will be:

In Canada : up to a maximum of \$30.00 per garment; In US: up to a maximum of \$30.00 per garment.

Example: If the total cost of a single garment is below the allowable maximum subsidy, then the total cost of the garment will be the subsidy. If the total cost of a single garment is above the maximum allowable subsidy, then the maximum subsidy will be allowed.

Subsidy payments will be made in the currency of the country in which the submitting employee resides.

#### Administration

Subsidy Payment

To initiate the subsidy payment, employees must send (mail or FAX) their receipt(s) supplied by AGO Industries Inc., Acklands Grainger (Canada), Orr Safety (US) or Sportsmark to:

#### In Canada:

HR Service Centre Attention: **Employee Services** Canadian Pacific Railway Suite 600 401 - 9th Avenue S.W. Calgary, AB T2P 4Z4 FAX# 403.319.7479

### In U.S.:

HR Employee Services Canadian Pacific Railway Suite 1725 - 501 Marquette Avenue So Minneapolis, MN 55402 FAX# 612.851.5692

Employees must identify on their receipt the garment to which the subsidy is to be applied or if the full double subsidy is to be applied toward the purchase of one garment.

#### Additional Information

For questions on sizing, payment, return policy, ordering, oversize charges, shipping and product warranty please contact:

AGO Industries:

Toll free 1- 888-339-5598 ; ask for the Customer Service Representative and identify yourself as a CP employee.

For questions on subsidy payments please contact:

In Canada : HR Service Centre in Calgary at: Locally in Calgary 319-3900 or; Toll free 1-866-319-3900.

In U.S. : HR/IR Service Centre in Minneapolis at: 1-800-234-0013, Fax (612) 337-8859

For all other questions please contact:

Director Safety & Program Development at: (403) 319-7221 or; Manager Health & Safety Policies / Programs at: (403) 319-3592 Safety & Program Development

#### **Questions & Answers**

When policies and programs change or new programs are developed, questions regarding application and administration of the program/policy often arise. In anticipation of these questions, we have attempted to cover off as many details as possible. Please review these questions and answers, and if you still have questions please contact your local Safety Advisor or a member of Safety & Program Development for clarification.

#### Q. When did the Alternate High Visibility Apparel Purchase Program come into effect?

A. CP's Alternate High Visibility Policy came into effect August 10th, 2001 to allow CP employees to wear high visibility apparel other than the standard tear-away mesh vest.

### Q. How will I know what types of alternate high visibility apparel are approved for purchase through this program and allowed at CP?

A. Only alternate high visibility apparel manufactured by AGM Wear from August 10, 2001 to June 21, 2002 and AGO Industries from July 1, 2002 forward, are approved for use at CP.

### **Q**. Will a brochure be available that shows the garments that are available through the new program?

A. Yes, a brochure will be mailed to all employees' homes in the July issue of CP news. Additional brochures are available from AGO Industries directly or by visiting their web site at <a href="https://www.cprapparel.com">www.cprapparel.com</a>.

### Q. Who is eligible to participate in the Alternate High Visibility Apparel Purchase Program?

A. All active CP employees in Canada and the United States are eligible to participate in this program. Employees should be reminded that this is a volunteer purchase program between the employee and AGO Industries. Employees taking advantage of this program should be aware that Canadian Pacific is not responsible for any agreements entered into between the employee and AGO Industries.

# Q. I am a seasonal employee and expect to be recalled to work soon. I would like to have my alternate high visibility garments before I return to work. Can I purchase alternate high visibility garments and submit my receipt for subsidy while I am laid off or on furlough status.

A. You may purchase your alternate high visibility garments while you are on laid-off or on furlough status, as this is a volunteer purchase program between the employee and AGO Industries. When you return to work you will be allowed to submit your receipts for a subsidy providing you meet the criteria for a subsidy.

### Q. How can I purchase approved alternate high visibility apparel through this program?

A. Four ordering options are available to employees.

- 1. 24/7 Online Ordering at <u>www.cprapparel.com</u>. The Online Store accepts Visa, MasterCard and American Express. You can also download an electronic brochure, fax/mail order forms and sizing information sheets. This is a completely Secure E-Commerce Site.
- Fax orders can be faxed 24/7 to AGO at 519-452-3053. An order form can be downloaded from the CP specific AGO website at <u>www.cprapparel.com</u>. AGO accepts Visa, MasterCard and American Express.
- Mail in your completed Order Form to: AGO Industries PO Box 7132 500 Sovereign Road London , Ontario N5Y 4J9

An order form can be downloaded from the CP specific AGO website at <u>www.cprapparel.com</u> . AGO accepts Visa, MasterCard, American Express, money orders and cheques in Canadian funds.

4. Orders can be phoned in to 888-339-5598 (toll free) between 8:30am and 5:00pm EST. AGO accepts Visa, MasterCard and American Express.

### **Q.** Does the price quoted in the brochure or on the website (Online store) include all applicable taxes?

A. No, all applicable taxes will be calculated and charged over and above the stated prices which will then become the total cost of the garment used to determine the subsidy.

### Q. Are shipping costs extra?

A. YES, shipping costs are over and above the price of the garments.

### Q. What is the cost of shipping?

A. The cost of shipping will depend on the location to which the garments are being sent. AGO will assign the shipment of your garments to the company with the most economical ground courier shipping rates.

### Q. Where will the alternate high visibility garments be shipped?

A. All shipments will be delivered to the address you provide when you place your order.

### Q. How long after ordering my alternate high visibility apparel will my garments be delivered?

A. Stock items will be delivered within 15 working days from the date of order and payment. Orders for oversize and custom sizing garments may take longer and will be explained at the time of ordering.

### Q. Will there be additional Duty or Custom costs for employees in the U.S. purchasing alternate high visibility apparel?

A. There is no duty on AGO garments (shipped to the US) as they enter under Nafta. A small customs charge will be blended into your US shipping charge and will be explained at the time of ordering.

### **Q.** How much will the Company subsidize the employees if they purchase their alternate high visibility apparel through this program?

A. CP will still make subsidies available to employees who purchase other apparel high visibility garments though AGO Industries. Any purchases made outside this program will not qualify for a subsidy, and are not approved for use on CP property.

The subsidy amount is as follows:

One subsidy per garment – two subsidies per year, or Two subsidies may be combined and applied toward to purchase of one garment, once per year.

Canadian Employees: Two \$30.00 (maximum) subsidies per calendar year; or, One \$ 60.00 (maximum) subsidy once per year.

US Employees: Two \$30.00 (maximum) subsidies per calendar year; or, One \$60.00 (maximum) subsidy once per year.

#### Employees must indicate their desire to combine the two subsidies and have it apply toward the purchase of one garment when submitting their invoice to HR for subsidy reimbursement.

### Q. Will the subsidy be based on the overall cost of the garment, including applicable taxes and shipping costs?

A. Yes.

### Q. Why are prices on the order form only in Canadian dollars?

A. As AGO Industries is a Canadian company, pricing is based Canadian funds. When a US based employee orders a product they will be asked to provide a credit card number for payment. The credit card company, based on the exchange rate on the day of shipment, will adjust the amount charged to the employee's credit card automatically.

### Q. Is the subsidy a taxable benefit?

A. No.

### Q. How do I qualify for a subsidy?

A. You must be an active CP employee in order to qualify for subsidy and meet the criteria for a subsidy as outlined in the Alternate High Visibility Apparel Purchase Program.

### Q. How many alternate high visibility garments am I allowed to purchase?

A. There is no limit on the number of alternate high visibility apparel employees may purchase, however, the subsidy may only be applied as outlined earlier.

### Q. How do I apply for a subsidy?

A. When you order and pay for a garment through AGO Industries, your shipment will be delivered to the return address you provide when ordering. A packing slip and two invoices will accompany the shipment. One invoice is for your personal records and the other invoice must be forwarded to:

Canadian employees: HR Service Centre Attn. Transaction Team Suite 600 , 401-9th Ave. S.W. Calgary AB , T2P 4Z4.

U.S. employees: HR Service Centre 501 Marquette Building. Room 1000 Minneapolis , MN 55402

You must identify on your return receipt to the appropriate HR Service Centre the garment(s) to which you want to have your subsidy applied against.

### Q. How will I receive my subsidy?

A. Your subsidy will appear on your pay cheque under the heading "High Visibility Subsidy".

### Q. Can I buy alternate high visibility apparel from other suppliers?

A. No, AGO Industries is CP's only approved supplier of alternate high visibility apparel

### Q. Can I buy alternate high visibility apparel from other suppliers realizing I am not eligible for a subsidy and wear it while at work?

A. No, only alternate high visibility apparel purchased through this program and from AGO Industries will be allowed on CP property for all CP employees.

### Q. I am already wearing an alternate high visibility garment at work ... will I still be allowed to wear it after this program becomes effective?

A. Existing alternate high visibility apparel may still be worn provided it meets the requirements of the CP High Visibility Policy issued November 25, 1999. ALL new alternate high visibility apparel must be purchased through this program and our supplier AGO Industries. Alternate high visibility apparel manufactured or purchased outside this program after August 10, 2001 is not approved for use on CP property.

### Q. Why is the CP logo on all alternate high visibility apparel purchased through this program?

A. CP's logo is a means of identifying that this garment is approved for employees' use on CP property.

## Q. Who do I phone if I have a concern with my alternate high visibility apparel with respect to payment, return policy, ordering, oversize and custom sizing charges, shipping and product warranty?

A. All questions or concerns dealing with alternate high visibility garments purchased through AGO Industries must be directed to an AGO Customer Service Representative using their email cpr@ago1.com , fax @ 519-452-3053 or phone @ 888-3395598 (toll free).

### Q. With the fluctuating exchange rate, will the price of alternate high visibility apparel for U.S. employees' change?

A. Yes, the amount charged to your credit card will vary, based on the exchange rate your credit card provider charges on the date of purchase.

### Q. If an employee purchases his or her own alternate high visibility apparel will the Company still be required to supply them with a vest?

A. CP's High Visibility Policy and each functional departmental high visibility policy must be adhered to at all time. Management and employees are responsible to ensure they adhere to these policies. All employees, who are now working in an area identified, as one that requires a high visibility vest to be worn should already have a vest, so there should not be additional costs to the company. All employees must hold onto their existing vest and have them readily available at the workplace. Example: Weather conditions may change requiring an employee to put on or take off clothing that may cover up or remove an employee's alternate high visibility garment. The vest can then be worn so that the employee adheres to CP's High Visibility Policy.

### Q. Can I go direct to AGO Industries in London , Ontario and purchase my CP approved alternate high visibility apparel?

A. Yes, you can visit the AGO plant at 500 Sovereign Road London , Ontario Monday to Friday between the hours of 8:30am and 4:30pm EST.

### Q. What is Proban and Ultra Soft fabric? What is the difference in the two materials?

A. Proban FR-7A is the first generation Flame Resistant Cotton from Westex Inc. The Proban Flame Resistant Finish is guaranteed for 50 home washes. Indura Ultra Soft is third generation Flame Resistant Fabric. The flame resistant finish of Indura Ultra Soft is guaranteed for the life of the garment. Indura Ultra Soft is 88% Cotton and 12% High Tenacity Yarn. Indura Ultra Soft wear 50%+ better than conventional 100% cotton. You can download technical briefs on both fabrics at www.cprapparel.com.

#### Q. Why did CP add theses materials to the approved list?

A. As a direct result of feedback, many employees indicated they wanted garments that are flame retardant. Employees now have the option of deciding their material of choice in most garments. Please refer to the previous answer for details on FR apparel material.

### Q. Why are some garments lower or higher in cost?

A. Whenever you change suppliers, there will always be changes in design and costing of garments. CP went through an in depth process to find a supplier that will provide to all CP employees wishing to participate in this volunteer program, products that are of the highest quality, workmanship and priced accordingly. CP feels that AGO Industries will meet all the expectations from CP employees.