

IN THE MATTER OF  
THE SECURITIES LEGISLATION OF BRITISH COLUMBIA, ALBERTA,  
SASKATCHEWAN, MANITOBA, ONTARIO, QUEBEC, NOVA SCOTIA AND  
NEWFOUNDLAND AND LABRADOR

AND

IN THE MATTER OF  
THE MUTUAL RELIANCE REVIEW SYSTEM  
FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF  
CP SHIPS LIMITED

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia and Newfoundland and Labrador (collectively, the "Jurisdictions") has received an application from CP Ships Limited ("CP Ships") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the requirement contained in the Legislation to file insider reports shall not apply to certain individuals who are insiders of CP Ships by reason of having the title Vice President;

AND WHEREAS under the Mutual Release Review System for Exemptive Relief Applications (the "System"), the Alberta Securities Commission is the principal regulator for this application;

AND WHEREAS CP Ships has represented to the Decision Makers that:

1. CP Ships is a corporation organized and subsisting under the laws of New Brunswick with its head office located at 62-65 Trafalgar Square, London WC2N 5DY;
2. CP Ships is one of the largest container shipping companies in the world with operations in 88 countries;
3. CP Ships is a reporting issuer (or equivalent) in each province and territory of Canada, is registered with the U.S. Securities and Exchange Commission in the United States and its common shares are listed and posted for trading on the Toronto Stock Exchange and the New York Stock Exchange;
4. CP Ships is not in default of any requirements under the Legislation;
5. Currently, CP Ships has nine directors, three of whom are the Chief Executive Officer, Chief Operating Officer and Chief Financial Officer, five Senior Vice Presidents, 26 Vice Presidents, and 7 with other titles who perform functions similar to a senior officer of the issuer, for a total

of 47 persons who are insiders of CP Ships by reason of being in one of the above categories (the "Insiders");

6. None of the Insiders is exempt from the insider reporting requirements contained in the Legislation by reason of an existing exemption such as National Instrument 55-101 ("NI 55-101") or a previous decision or order;

7. CP Ships has developed a corporate disclosure policy (the "Disclosure Policy") and a policy and procedures governing insider trading (the "Insider Trading Policy") that apply to all of the Insiders;

8. The objective of the Disclosure Policy is to ensure that communications to the investing public about CP Ships are: timely, factual, accurate and broadly disseminated in accordance with all applicable legal and regulatory requirements;

9. CP Ships has developed the Insider Trading Policy to ensure that its directors, officers and designated employees who are "insiders" under the Legislation are aware of their responsibilities under the Legislation and to assist them in complying with the Legislation;

10. The Disclosure Policy and Insider Trading Policy also apply to other employees of CP Ships who have knowledge of material undisclosed information. CP Ships has also established a disclosure committee (the "Disclosure Committee") to oversee administration of the Disclosure Policy;

11. Under the Disclosure Policy and the Insider Trading Policy, the Insiders and other employees with knowledge of material undisclosed information may not trade in securities of CP Ships. In addition, the Insiders and employees of CP Ships may not trade in securities of CP Ships during "black-out" periods around the preparation of financial results or any other "black-out" period as determined from time to time. Outside of the "black-out" periods, the Insiders may only trade in securities of CP Ships upon the prior approval of the General Counsel of CP Ships;

12. The Disclosure Committee (comprised of the Chief Executive Officer, Chief Financial Officer, General Counsel and Vice President Investor Relations of CP Ships) considered the job requirements and principal functions of the Insiders to determine which of them met the definition of "nominal vice president" contained in CSA Staff Notice 55-306 (the "Staff Notice"), and has compiled a list of those Insiders who, in the opinion of the Disclosure Committee, meet the criteria set out in the Staff Notice (the "Exempted VPs");

13. Each of the Exempted VPs:

(a) is a vice president of CP Ships or a direct or indirect subsidiary;

(b) is not in charge of a principal business unit, division or function of CP Ships or a "major subsidiary" of CP Ships (as that term is defined in NI 55-101);

(c) does not in the ordinary course receive or have access to information as to material facts or material changes concerning CP Ships before the material facts or material changes are generally disclosed; and

(d) is not an insider of CP Ships in any capacity other than as a vice president;

14. The Disclosure Committee will assess any future employee of CP Ships who has the title of Vice President on the same basis as set out above, and will re-assess all Exempted VPs who experience a change in job requirements or functions, to determine if such individuals meet, or continue to meet, the definition of "nominal vice president" contained in the Staff Notice;

15. If an individual who is designated as an Exempt VP no longer satisfies the definition of "nominal vice president" contained in the Staff Notice, the Disclosure Committee will ensure that the General Counsel of CP Ships will not provide prior approval for the trading in securities of CP Ships to such individual without informing him or her of the renewed obligation to file an insider report in respect of such trades;

16. CP Ships has filed with the Decision Makers in connection with this application a copy of the Insider Trading Policy, the Disclosure Policy and the list of Exempted VPs;

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that the requirement contained in the Legislation to file inside reports shall not apply to the Exempted VPs or any other employee of CP Ships who hereafter is given the title Vice President provided that:

(a) they satisfy the definition of "nominal vice president" contained in the Staff Notice;

(b) CP Ships prepares and maintains a list of all individuals who propose to rely on the exemption granted, submits the list on an annual basis to its Board of Directors for approval, and files the list with the Decision Makers;

(c) CP Ships files with the Decision Makers a copy of its internal policies and procedures relating to monitoring and restricting the trading activities of its insiders and other persons whose trading activities are restricted by CP Ships; and

(d) the relief granted will cease to be effective on the date when NI 55-101 is amended.

DATED at Calgary, Alberta on this 1<sup>st</sup> day of October, 2003.

"Agnes Lau"  
Agnes Lau, CA  
Deputy Director, Capital Markets

Headnote:

Mutual Reliance Review System for Exemptive Relief Applications - relief granted to certain vice presidents of a reporting issuer from the insider reporting requirements subject to certain conditions as outlined in CSA Staff Notice 55-306 - *Applications for Relief from the Insider Reporting Requirements by Certain Vice Presidents*.

Applicable Alberta Statutory Provisions:

Securities Act, R.S.A., 2000, c.S-4, as amended, sections 182 and ss. 212(2)