CLASS PROCEEDING FILED REGARDING BANK OF CANADA PENSION PLAN

Toronto, October 15, 2004 – Pensioners of the Bank of Canada have issued a class proceeding in the Ontario Superior Court against their former employer in connection with the Bank of Canada Pension Plan. The plaintiffs, who belong to the Bank of Canada Pensioners' Association, allege the Bank has been misusing the assets of the pension trust fund since at least 1993 by requiring some-$12 Million in expenses and costs associated with administering the plan to be paid out of the pension fund. The pension plan was established in 1936. Prior to 1993, the Bank directly paid for these expenses, but changed its practice to direct the expenses to be paid out of the fund after the pension plan began to develop a considerable surplus. Historically, the plan documentation required the Bank to assume the responsibility for paying plan expenses. A 1988 version of the plan by-law states that the Bank "will not charge to the Fund any expenses incurred for the administration thereof". The Bank replaced this provision in the 1990s to shift the burden of paying plan expenses from the Bank to the fund. The plaintiffs allege that the plan amendments were not permitted under the terms of the trusts that govern the pension plan and, further, the Bank's practice of paying the expenses out of the fund instead of paying them directly were a breach of trust and contract and contrary to the fiduciary duties owed by the Bank to the plaintiffs and all other plan members. These allegations have yet to be proven in Court.

The plaintiffs are asking the Court to certify the action as a class proceeding and to appoint them as representatives for all persons who, after January 1, 1993, were members, former members, annuitants, spouses and other beneficiaries of the pension plan. As of January 1, 2002 there were approximately 2,886 persons participating in the plan, including 1,127 active employees, 900 pensioners, 669 "deferred" pensioners and 190 surviving spouses and beneficiaries.

The plaintiffs are seeking an order from the Court that the Bank account for the $12 Million it has paid out of the fund to pay for plan expenses and distribute this sum equitably among all plan members. The plaintiffs are also seeking damages for the class for breach of trust and contract, including punitive damages, in the amount of $30 Million.

Lawyers Kirk Baert and Ari Kaplan of the Toronto law firm Koskie Minsky LLP (**www.koskieminsky.com**) are representing the plaintiffs. Mr. Kaplan said that employers often just assume they may pay for expenses out of the pension fund, when the legal requirements are more complex than that. "Some pensioners of the Bank worked their entire careers with the expectation that the Bank would cover the costs of the pension plan. This case is a classic illustration of changing the rules midstream", Kaplan added.

Koskie Minsky is a leading employee pension law firm and is experienced in handling complex class actions involving pension and employee benefits matters. Lexpert recognizes lawyers at the firm as leading practitioners in the class action and pension fields and related areas of law.

--- BACKGROUNDER ---

THE BANK OF CANADA PENSIONERS' ASSOCIATION

The Bank of Canada Pension Plan was established by the Bank in 1936 as a defined-benefit pension plan covering employees of the Bank. The plan has always required contributions from both employees and the Bank.

The plaintiff, Alan Potter, of Vernon, British Columbia is a former employee of the Bank who retired in 1990 after approximately 36 years of service. The other plaintiffs, Joseph Armand Alphonse Bouchard and Ken Eng are also pensioners and reside in Ottawa, Ontario.

All the plaintiffs are members of the Bank of Canada Pensioners' Association (**http://www.bcpa.ca**), a voluntary organization formed on October 18, 2001 composed of retirees and former employees of the Bank. The BCPA's mandate is to advocate for an equitable sharing of the surpluses in the pension fund, competitive improvements in retirement benefits over time and, generally, to equitably advance the interests of all participants in the pension plan.