

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO,
Québec, NEW BRUNSWICK, NOVA SCOTIA AND NEWFOUNDLAND**

AND

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

AND

IN THE MATTER OF AVENTIS S.A.

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia and Newfoundland (the "Jurisdictions") has received an application from Aventis S.A. (the "Filer") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that:

- (i) the requirements contained in the Legislation to file and obtain a receipt for a preliminary prospectus and a prospectus (the "Prospectus Requirements") shall not apply to certain trades in units (the "Units") of a French employee savings fund (fond commun de placement d'entreprise or "FCPE"), the Aventis Performance Fund (the "Fund"), made pursuant to the Leveraged Plan Offering (as defined below) to or with Qualifying Employees (as defined below) resident in Canada who elect to participate (the "Canadian Participants") in the Leveraged Plan Offering;
- (ii) the requirements in the Legislation to be registered to trade in a security (the "Registration Requirements", and together with the Prospectus Requirements, the "Registration and Prospectus Requirements") shall not apply to the transfer of ordinary shares (the "Shares") of the Filer by the Fund to Canadian Participants upon the redemption of Units by Canadian Participants;
- (iii) the Registration and Prospectus Requirements shall not apply to the issuance to Canadian Participants of units by a successor fund to which the Fund's assets may be transferred, nor to the subsequent transfer of Shares by such successor fund to Canadian Participants upon the redemption of such units by Canadian Participants;
- (iv) the Registration and Prospectus Requirements shall not apply to the first trade in Shares acquired by Canadian Participants under the Leveraged Plan Offering

where such trade is made through the facilities of a stock exchange outside of Canada; and

(v) the manager of the Fund, Interépargne, an asset management company governed by the laws of France (the "Manager"), shall be exempt from the requirement contained in the Legislation to be registered as an adviser (the "Adviser Registration Requirement") to the extent that its activities in relation to the Leveraged Plan Offering require compliance with the Advisor Registration Requirements.

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

AND WHEREAS the Filer has represented to the Decision Makers that:

1. The Filer is a corporation formed under the laws of France. The Filer is not, and does not intend to become, a reporting issuer (or equivalent) under the Legislation of any Jurisdiction. Shares of the Filer are listed and posted for trading on the Deutsche Börse, the Paris Bourse and the New York Stock Exchange (in the form of American Depositary Shares).

2. The Filer carries on business in Canada through the following affiliated companies: Aventis Animal Nutrition Canada Inc., Aventis CropScience Canada Co., Aventis Pharma Inc., Aventis Pharma Services Inc., Aventis Pasteur Limited, Aventis Behring Canada, Inc. and Dermik Laboratories Canada Inc. (the "Canadian Affiliates", together with the Filer and other affiliates of the Filer, the "Aventis Group"). Each of the Canadian Affiliates is a direct or indirect controlled subsidiary of the Filer and is not, and does not intend to become, a reporting issuer (or equivalent) under the Legislation of any Jurisdiction.

3. The Filer has established a worldwide stock purchase plan for employees of the Aventis Group (the "Employee Share Offering"). Only persons (the "Qualifying Employees") who are employees of a member of the Aventis Group at the time of the Employee Share Offering are eligible to participate in the Employee Share Offering.

4. The Employee Share Offering is comprised of two plans: i) an offering of Shares by the Filer (the "Classic Plan Offering"), and ii) an offering of Units by the Fund.

5. The Classic Plan Offering has now concluded. Under the Classic Plan Offering, Qualifying Employees were offered the opportunity to purchase Shares at a purchase price calculated as the average of the closing prices of the Shares on the 20 trading days preceding Aventis board approval of the Employee Share Offering (the "Reference Price"), less a 15% discount. The Reference Price was 82.01 euros. The subscription price per Share was accordingly 69.71 euros (CDN\$108.68).

6. The Filer has previously been granted exemptive relief in connection with the Classic Plan Offering by MRRS Decision of the Decision Makers, other than the Decision Maker in Ontario,

dated October 14, 2000. The relief requested in connection with the Classic Plan Offering was not required in Ontario.

7. As an alternative to directly subscribing for Shares under the Classic Plan Offering, Qualifying Employees may purchase Units of the Fund. Under the Leveraged Plan Offering, a Qualifying Employee will purchase Units in the Fund, and the Fund will then purchase Shares using the Employee Contribution (as described below) and certain financing made available by a major European bank, Deutsche Bank A.G. ("Deutsche Bank").

8. The Fund was established for the purpose of implementing the Leveraged Plan Offering. The Fund is not, and does not intend to become, a reporting issuer (or equivalent) under the Legislation of any Jurisdiction.

9. The Fund is a collective shareholding vehicle of a type commonly used in France for the conservation or custodianship of shares held by employee investors. Only Qualifying Employees will be allowed to hold Units of the Fund, and such holdings will be in an amount proportionate to their respective investments in the Fund.

10. The Leveraged Plan Offering represents an opportunity for Qualifying Employees potentially to obtain significantly higher gains than would be available under the Classic Plan Offering, by virtue of the Qualifying Employee's indirect participation in a financing arrangement involving a swap agreement (the "Swap Agreement") between the Fund and Deutsche Bank. In economic terms, the Swap Agreement effectively involves the following exchange of payments: for each Share which may be purchased by the Qualifying Employee's contribution under the Leveraged Plan Offering at the Reference Price less the 15% discount (the "Employee Contribution"), Deutsche Bank will lend to the Fund (on behalf of the Qualifying Employee) an amount sufficient to enable the Fund (on behalf of the Qualifying Employee) to purchase an additional nine Shares (the "Deutsche Bank Contribution") at the Reference Price less the 15% discount.

11. At the time the Qualifying Employee's obligations under the Swap Agreement are settled, expected to occur on April 1, 2005 (the "Settlement Date"), the Qualifying Employee will, for each Unit held by the Qualifying Employee, be entitled to retain from the proceeds of the ten Shares then held by the Fund (on behalf of the Qualifying Employee), an amount equal to

i) the then value of one Share, which represents the Share purchased by the Employee Contribution; and

ii) forty per cent of the amount of the appreciation in value, if any, of the nine Shares purchased by the Deutsche Bank Contribution above the Reference Price for such nine Shares (that is, 40% of any increase in the value of such shares over the Reference Price of 82.01 euros) (the "Appreciation Amount").

At the Settlement Date, the Fund on behalf of the Qualifying Employee will be required to remit an amount equal to the balance of the proceeds of the ten Shares then owned or deemed to be owned by such Qualifying Employee to Deutsche

Bank. This payment obligation may be satisfied by the transfer of Shares to Deutsche Bank by the Fund.

12. Under French law, the Shares purchased or acquired by Qualifying Employees under the Classic Plan Offering and the Units purchased or acquired by Qualifying Employees under the Leveraged Plan Offering are subject to a hold period (the "Hold Period"), which expires on April 1, 2005, subject to certain exceptions (such as an earlier release on death, permanent disability, termination of employment or retirement).

13. As with the Classic Plan Offering, under the Leveraged Plan Offering, the Canadian Participants enjoy the benefit of a 15% discount to the Reference Price. Under the Leveraged Plan Offering, the Canadian Participants effectively receive a share appreciation entitlement in the increase in value, if any, of the Shares financed by the Deutsche Bank Contribution.

14. Under French law, the Fund, as an FCPE, is a limited liability entity, and the Canadian Participants' potential obligations under the Swap Agreement will be limited to the assets of the Fund. The offering documents provided to Canadian Participants will confirm that, under no circumstances, will a Canadian Participant be liable to any of the Fund, Deutsche Bank or the Filer for amounts in excess of his or her Employee Contribution in respect of the Leveraged Plan Offering.

15. For Canadian federal income tax purposes, the Units acquired by Canadian Participants under the Leveraged Plan Offering will represent a pro rata ownership interest by the Canadian Participants in the Shares held by the Fund, together with the Fund's rights and obligations under the Swap Agreement, and any other assets which may be held by the Fund, which status will be confirmed in the offering documents provided to Canadian Participants.

16. During the term of the Swap Agreement, dividends paid on the Shares financed by the Employee Contribution and the Deutsche Bank Contribution will be remitted to the Fund, and the Fund will remit an equivalent amount to Deutsche Bank as partial consideration for the obligations assumed by Deutsche Bank under the Swap Agreement.

17. For Canadian federal income tax purposes, the Canadian Participants will be deemed to receive all dividends paid on the Shares financed by either the Employee Contribution or the Deutsche Bank Contribution, at the time such dividends are paid to the Fund, notwithstanding the actual non-receipt of the dividends by the Canadian Participants. Consequently, Canadian Participants will be required to fund the tax liabilities associated with the dividends without recourse to the actual dividends.

18. The declaration of dividends on the Shares remains at the sole discretion of the board of directors of the Filer. The Filer has not made any commitment to Deutsche Bank as to any minimum payment in respect of dividends.

19. To respond to the fact that, at the time of the initial investment decision relating to participation in the Leveraged Plan Offering, Canadian Participants will be unable to quantify

their potential income tax liability resulting from such participation, the Filer will enter into an indemnity agreement (the "Tax Indemnity Agreement") with each Canadian Participant.

20. Pursuant to the Tax Indemnity Agreement, the Filer will indemnify Canadian Participants in the Leveraged Plan Offering for all tax costs to the Canadian Participants associated with the payment of dividends in excess of 10 euros per Share during the Hold Period such that, in all cases, a Canadian Participant will, at the time of the original investment decision, be able to quantify, with certainty, his or her maximum tax liability in connection with dividends received by the Fund on his or her behalf under the Leveraged Plan Offering.

21. At the time the Qualifying Employee's obligations under the Swap Agreement are settled (expected to occur on the Settlement Date), the Qualifying Employee will realize a capital gain (or a capital loss) by virtue of having participated in the Swap Agreement to the extent that amounts received by the Fund, on behalf of the Qualifying Employee, from Deutsche Bank exceed (or are less than) amounts paid by the Fund, on behalf of the Qualifying Employee, to Deutsche Bank. To the extent that dividends on Shares that are deemed to have been received by a Canadian Participant are paid by the Fund on behalf of the Canadian Participant to Deutsche Bank, such payments will reduce the amount of any capital gain (or increase the amount of any capital loss) to the Canadian Participant under the Swap Agreement. Capital losses (gains) realized by a Canadian Participant under the Swap Agreement may be offset against (reduced by) any capital gains (losses) realized by the Canadian Participant on a disposition of the Shares, in accordance with the rules and conditions under the *Income Tax Act* (Canada) or comparable provincial legislation (as applicable).

22. Following the expiry of the Hold Period, the Swap Agreement will terminate and a Canadian Participant may elect to

(i) redeem Units in the Fund in consideration for a payment by the Fund of an amount equal to the value of the Shares purchased with the Canadian Participant's initial contribution and the Canadian Participant's portion of the Appreciation Amount, if any, to be settled by delivery of such number of Shares equal to such amount or the cash equivalent of such amount; or

(ii) receive units in a successor FCPE (the "Successor Fund") to which the Fund's assets are transferred, and redeem those units at a later date.

23. In the event a Canadian Participant elects to receive units in the Successor Fund, the underlying Shares represented by the Canadian Participants' Units will be transferred to the Successor Fund. The Successor Fund will be identical in all material respects to the Fund except that i) there will be no swap arrangement, and ii) there will be no period corresponding to the Hold Period. In economic terms, units in the Successor Fund will be equivalent in all material respects to American Depositary Shares.

24. As indicated above, the Manager is an asset management company governed by the laws of France. The Manager is registered with the French Commission des Opérations de Bourse (the

"COB") and complies with the rules of the COB. Its principal activities consist of the management of FCPEs and other funds organized under the laws of France.

25. The Manager may, for the Fund's account, acquire, sell or exchange all securities in the portfolio (the "Portfolio"). The Portfolio will consist of Shares, the Swap Agreement and cash or cash equivalents which the Fund may hold pending investment in Shares and for purposes of Unit redemptions. The Manager's portfolio management activities in connection with the Leveraged Plan Offering and the Fund are limited to purchasing Shares from the Filer using the Employee Contribution and the Deutsche Bank Contribution, selling such Shares as necessary in order to fund redemption requests, and such activities as may be necessary to give effect to the Swap Agreement.

26. The Manager is also responsible for preparing accounting documents and publishing periodic informational documents as provided by the rules by the Fund.

27. Shares issued under the Leveraged Plan Offering will be deposited into the Fund through Natexis Banques Populaires (the "Depository"), a French commercial bank subject to French banking legislation.

28. Under French law, the Depository must be selected by the Manager from among a limited number of companies identified on a list by the French Minister of the Economy, and its appointment must be approved by the COB. The Depository carries out orders to purchase, trade and sell securities in the Portfolio and takes all necessary action to allow the Fund to exercise the rights relating to the securities held in the Portfolio.

29. Qualifying Employees resident in Canada will not be induced to participate in the Leveraged Plan Offering by expectation of employment or continued employment.

30. A Canadian Participant's initial contribution to the Fund under the Leveraged Plan Offering will not exceed the value of 30 Shares (at the subscription price of 69.71 Euros per Share or CDN\$108.68). The total amount which may be invested by a Canadian Participant in the Employee Share Offering, including the Canadian Participant's investment in the Classic Plan Offering and the Leveraged Plan Offering, may not exceed 25% of the Canadian Participant's 1999 gross annual compensation.

31. None of the Filer, the Canadian Affiliates or any of their employees, agents or representatives will provide investment advice to the Qualifying Employees with respect to an investment in Units.

32. The Filer has retained TD Securities Inc. to provide advisory services to the Canadian Participants in connection with the Leveraged Plan Offering and to make a determination, in accordance with industry practices, as to whether an investment in the Leveraged Plan Offering is suitable for each Canadian Participant based on his or her particular financial circumstances. TD Securities Inc. will establish accounts for, and will receive the initial account statements from the Fund on behalf of, each Canadian Participant.

33. The Units will be issued by the Fund to the Canadian Participants solely through TD Securities Inc. The Units will be evidenced by account statements issued by the Fund. TD Securities Inc. is registered as a broker/investment dealer under the Legislation of each Jurisdiction.

34. The Canadian Participants will receive an information package in the French or English languages, at their option, that will include

(i) a summary of the terms of the Leveraged Plan Offering,

(ii) a tax notice relating to the Fund containing a description of the Canadian income tax consequences of purchasing and holding Units in the Fund, and of the anticipated tax consequences associated with the issue to Canadian Participants of units in a Successor Fund

(iii) a risk statement, substantially in the form presented to the Commission, that will describe certain risks associated with an investment in Units pursuant to the Leveraged Plan Offering, and will confirm certain of the income tax consequences of purchasing and holding Units in the Fund.

Upon request, employees will be entitled to receive copies of the Filer's annual report on Form 20-F filed with the United States Securities and Exchange Commission and/or the French *Document de Référence* filed with the COB in respect of the Shares. In addition, a *Note d'Opération* was filed with the COB in respect of the Employee Share Offering. A copy of the *Note d'Opération* as well as a copy of the Fund's rules shall be made available to employees by the Fund upon request.

35. Copies of all continuous disclosure materials relating to the Filer which are furnished to shareholders generally will be furnished to Canadian Participants who subscribe for Shares and Units in the Fund.

36. It is not expected that there will be any market for Units or Shares in Canada.

37. There are approximately 1,880 Qualifying Employees resident in Canada as follows: in the provinces of Ontario (1,024), Québec (546), Saskatchewan (190), British Columbia (26), Alberta (55), Newfoundland (2), New Brunswick (2), Nova Scotia (10) and Manitoba (23), who represent in the aggregate approximately 2% of the number of Qualifying Employees worldwide.

38. As of the date hereof and after giving effect to the Leveraged Plan Offering, Canadian Participants do not and will not beneficially own (which term, for the purposes of this paragraph, is deemed to include all Shares held by the Fund on behalf of Canadian Participants) more than 10 per cent of the Shares and do not and will not represent in number more than 10 per cent of the total number of holders of the Shares as shown on the books of the Filer.

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

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:

(a) the Prospectus Requirements shall not apply to trades of the Units by the Fund to the Canadian Participants pursuant to the Leveraged Plan Offering, provided that all trades that are sales in a Jurisdiction are made through a dealer that is registered as a broker/investment dealer in the Jurisdiction, and the first trade in Units acquired by Canadian Participants pursuant to this Decision in a Jurisdiction shall be deemed a distribution or a primary distribution to the public under the Legislation of such Jurisdiction;

(b) the Registration and Prospectus Requirements shall not apply to

i) trades of Shares by the Fund to the Canadian Participants upon the redemption of Units by Canadian Participants pursuant to the Leveraged Plan Offering, or

ii) the issuance of units to Canadian Participants by the Successor Fund to which the Fund's assets may be transferred, nor to the subsequent trade of Shares by such Successor Fund to the Canadian Participants upon the redemption of such units by Canadian Participants,

provided that, in each case, the first trade in any such Shares or units acquired by a Canadian Participant pursuant to this Decision in a Jurisdiction shall be deemed a distribution or a primary distribution to the public under the Legislation of such Jurisdiction;

(c) the Registration and Prospectus Requirements shall not apply to the first trade in any Shares acquired by a Canadian Participant under the Leveraged Plan Offering provided that such trade is

i) made through a person or company that is appropriately licensed to carry on business as a broker/dealer (or the equivalent) under the applicable securities legislation in the jurisdiction where the trade is executed; and

ii) executed through the facilities of a stock exchange outside of Canada;

(d) the Manager shall be exempt from the Advisor Registration Requirements, where applicable, in order to carry out the activities described in paragraphs 25 and 26 hereof.

DATED this 20th day of March, 2001.

"John Geller"

"Stephen Adams"

John Geller

Stephen Adams

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – relief from prospectus requirements granted in respect of certain trades in units of an employee savings fund made pursuant to a leveraged offering by French issuer, provided that all sales of such units be made through a registrant – relief from registration and prospectus requirements upon the redemption of such units for shares of the issuer – relief from the registration and prospectus requirements granted in respect of first trade of such shares where such trade is made through the facilities of a stock exchange outside of Canada – relief granted to the manager of the Fund from the adviser registration requirement

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25, 53 and 74(1).

Applicable Ontario Regulations

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015 as am.

Applicable Ontario Rules

OSC Rule 45-503 - Trades to Employee, Executives and Consultants.

OSC Rule 72-501 - Prospectus Exemption for First Trade Over a Market Outside Ontario.

OSC Policy 4.8 - Non Resident Advisers