

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

AND

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

AND

IN THE MATTER OF BRADFORD & BINGLEY BUILDING SOCIETY

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Makers") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, Nova Scotia, New Brunswick and Newfoundland (the "Jurisdictions") have received an application from Bradford & Bingley Building Society (the "Society") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirement to be registered to trade in a security (the "Registration Requirement") and to file and obtain a receipt for a preliminary prospectus and a prospectus (the "Prospectus Requirement") shall not apply to intended trades in ordinary shares ("Shares") of Bradford & Bingley plc (the "Successor Company");

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

AND WHEREAS the Society has represented to the Decision Makers as follows:

1. the Society is a British building society and is incorporated under the *Building Societies Act, 1986* (the "Building Societies Act") and the Society and the Successor Company are not presently, and do not intend to become, reporting issuers under the Legislation;
2. the Society has two types of members (the "Members"), investing members ("Investing Members") and borrowing members ("Borrowing Members"); an Investing Member is a person who has money held on deposit with the Society through a savings account which is designated as an investment share account or who holds permanent interest bearing shares of the society issued pursuant to two offering circulars (such shares referred to herein as "PIBS"); a Borrowing Member is a person who is indebted to the Society in respect of a real estate mortgage loan;
3. Investing Members and Borrowing Members have the right to attend and vote at all meetings of Members of the Society, subject to satisfying minimum investment and age requirements, the right to requisition special general meetings if certain conditions are met, certain voting rights for the election of directors, the right to receive certain information and the right to vote on changes to the memorandum of the Society;

4. Investing Members have the right to receive, subject to certain conditions, the whole of any surplus upon a dissolution or winding up of the Society; these rights only arise on a winding up of the Society or its dissolution by consent; Borrowing Members do not have the right to receive any surplus on the dissolution or winding up of the Society;

5. generally, an Investing Member has the right, subject to any applicable notice period regarding withdrawal under the terms and conditions of any particular savings or investment account, to cease to be a Member at any time by withdrawing all of its money on deposit with the Society, and a Borrowing Member has the right to cease to be a Member at any time by repaying all of its outstanding mortgage loans to the Society; a Borrowing Member will also cease to be a Member where the Society (or other person) takes possession of, or exercises a power of sale in relation to, the whole or any part of the land on which the loan is secured, or obtains an order for foreclosure on all or part of that land;

6. as at the date hereof, the Society has approximately 2.7 million Members (based on the number of accounts held with and mortgage loans outstanding to the Society), of which approximately 192 Members are resident in Canada (collectively, the "Members Resident in Canada") representing less than 0.0001% of the total number of Members worldwide;

7. the Members entitled to vote at the Special General Meeting of the Society (the "Meeting") held on July 17, 2000 approved the conversion of the Society into a public limited company (the "Conversion");

8. upon the Conversion becoming effective, each qualifying Member ("Qualifying Member") will be eligible to receive Shares, subject to meeting the criteria set out in a detailed document (the "Transfer Statement") which has been delivered to all Members by the Society; members who do not qualify to receive Shares on the Conversion but who satisfy other criteria will receive a cash distribution;

9. the Society will also provide information about the Conversion to all of its Members in the form of a detailed English disclosure document for the Successor Company relating to the listing of the Shares (the "Listing Particulars"), which will be sent to all the Members, including the Members Resident in Canada; the Listing Particulars are prepared in accordance with the Listing Rules of the Financial Services Act, 1986; among other things, the Listing Particulars will describe the Successor Company and will provide certain other information regarding the Conversion;

10. the Successor Company was incorporated in England and Wales under the *Companies Act 1985* (as amended); upon the Conversion, the Society will dissolve and cease to exist and, among other things, the following events will take place:

(a) each Member who meets the eligibility requirements specified in the Transfer Statement will receive Shares, subject to the timely completion and return of a claim form distributed at a subsequent time;

(b) Members who do not meet the eligibility requirements to receive Shares but who satisfy other criteria will receive a cash payment;

(c) the business, property, rights, liabilities and goodwill of the Society will be transferred to the Successor Company;

(d) every deposit with the Society will become a deposit of the same amount with the Successor Company operated on the terms and conditions set out in the Transfer Statement; and

(e) every mortgage held by a borrower from the Society will be maintained with the Successor Company on the same terms and conditions in all material respects;

11. it is intended that an application will be made for the admission of the Successor Company to the Official List of the UK Listing Authority and the trading of the Shares and the Perpetual Subordinate Bonds, which will replace the PIBS, on the London Stock Exchange;

12. the Conversion is conditional upon:

(a) the Building Societies Commission (the "Commission") confirming the Conversion and its terms for the purposes of the Building Societies Act;

(b) the Financial Services Authority authorising the Successor Company under the *Banking Act 1987*;

(c) all material consents, approvals, authorisations, licences or decisions of any governmental, quasi-governmental or regulatory body required in connection with the Conversion being obtained in terms reasonably satisfactory to the Society and the Successor Company;

(d) there having been no revocation of the Society's authorisation under the Building Societies Act or conditions imposed by the Commission on such authorization;

(e) formal approval of the Listing Particulars by the UK Listing Authority;

(f) the admission of the Successor Company to the Official List of the UK Listing Authority and admission to trading of the Shares and of the Perpetual Subordinated Bonds, which will replace the PIBS, on the London Stock Exchange; and

(g) vesting of the Society's business, property and liabilities in the Successor Company.

13. every Member Resident in Canada (determined with reference to the addresses of the Members recorded on the books of the Society) holding Shares after the Conversion will receive

all continuous disclosure documents required to be sent to holders of ordinary shares of the Successor Company resident in the United Kingdom pursuant to the laws, rules and regulations of the United Kingdom and applicable stock exchange rules;

14. in certain of the Jurisdictions, the Legislation does not contain exemptions from the Registration Requirement and the Prospectus Requirement for the distribution of the Shares to the Members upon the Conversion;

15. in certain of the Jurisdictions, any trade by a Member Resident in Canada of Shares acquired upon the Conversion is deemed to be a distribution unless, among other things, the Successor Company has been a reporting issuer for the 12 months immediately preceding the trade; and

16. the Listing Particulars will contain representations to the effect that application has been made to the UK Listing Authority and the London Stock Exchange for the listing of the Shares and the Perpetual Subordinated Bonds, which will replace the PIBS, and will include disclosure that the Conversion is conditional, amongst other things, upon admission of the Shares and the Perpetual Subordinated Bonds, which will replace the PIBS, to the UK Listing Authority's Official List, and to the London Stock Exchange for trading on its market for listed securities;

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 requirements contained in the Legislation that provide the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that:

1. the Registration Requirement and the Prospectus Requirements shall not apply to the intended trade of the Shares made in connection with the Conversion to the Members resident in the Jurisdictions;

2. a trade in Shares acquired upon the conversion is deemed to be a distribution or a primary distribution to the public under the Legislation unless the trade is executed through the facilities of a stock exchange or organized market outside Canada in accordance with the laws, rules and regulations applicable thereto; and

3. permission is granted to make representations in the Listing Particulars to the effect that application has been made to the UK Listing Authority and the London Stock exchange for the listing of the Shares and the Perpetual Subordinated Bonds, which will replace the PIBS, and that the Conversion is conditional, amongst other things, upon admission of the Shares and the Perpetual Subordinated Bonds, which will replace the PIBS, to the UK Listing Authority's Official List and to the London Stock Exchange for trading on its market for listed securities.

DATED October 5, 2000.

"Margaret Sheehy"
Margaret Sheehy
Director

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - relief from prospectus and registration requirements, and from prohibited listing representations, with respect to a distribution of securities to the members of a society upon the conversion to a public limited company given *de minimis* number of shareholders in Canada - relief for any subsequent trades of the securities provided such trades are conducted through a stock exchange outside of Canada.

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, ss. 48, 50(1)(c), and 76