

IN THE MATTER OF  
THE SECURITIES LEGISLATION OF BRITISH COLUMBIA, ALBERTA, MANITOBA,  
ONTARIO AND NOVA SCOTIA

AND

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

AND

IN THE MATTER OF  
COMPUTERSHARE LIMITED

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of British Columbia, Alberta, Manitoba, Ontario, and Nova Scotia (the "Jurisdictions") has received an application from Computershare Limited (the "Filer") for a decision pursuant to the securities legislation (the "Legislation") of the Jurisdictions that the requirements contained in the Legislation to be registered to trade in a security (the "Registration Requirements") and to file and obtain a receipt for a preliminary prospectus and a prospectus (the "Prospectus Requirements") shall not apply to certain trades in connection with the participation of certain Canadian resident employees of the Filer and its subsidiaries, including Computershare Trust Company of Canada ("Computershare Canada"), in the Filer's employee stock option plan;

AND WHEREAS pursuant to 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 an Australian public company primarily engaged in the stock transfer agency business. The Filer currently manages in excess of 62 million securityholder accounts for over 7,000 companies worldwide.
2. As of June 30, 2001, the Filer had approximately 547,612,396 ordinary shares (the "Shares") issued and outstanding. The Shares are listed for trading on the Australian Stock Exchange and the New Zealand Stock Exchange.
3. The Filer primarily conducts business in Canada through its Canadian subsidiary, Computershare Canada.

4. Neither the Filer nor Computershare Canada is, nor has any present intention of becoming, a reporting issuer or the equivalent thereof under the securities legislation of any jurisdiction in Canada.

5. The Filer is not a U.S. reporting company and is not subject to the requirements of the *Securities Exchange Act of 1934*, as amended.

6. The Filer established the Computershare Employee Option Plan (the "Plan") which permits full-time and part-time employees (including officers) (the "Eligible Employees") of the Filer and its subsidiaries, including Computershare Canada, to receive options (the "Options") to purchase Shares.

7. As of August 7, 2001, there were approximately 112 Eligible Employees in British Columbia, 177 Eligible Employees in Alberta, 5 Eligible Employees in Manitoba, 443 Eligible Employees in Ontario, 275 Eligible Employees in Québec and 6 Eligible Employees in Nova Scotia.

8. At the time of the grant of the Options, holders of the Shares whose last address as shown on the books of the Filer is in Canada will not hold more than 10% of the outstanding Shares and will not represent in number more than 10% of the total number of holders of the Shares.

9. Participation in the Plan is voluntary and Eligible Employees will not be induced to participate in the Plan or to acquire Shares under the Plan by expectation of employment or continued employment with the Filer, any its subsidiaries, or any other affiliated entity of the Filer.

10. In connection with the implementation of the Plan, the Eligible Employees have received a document specifying the main terms and conditions of the Plan. In accordance with the Legislation of Québec, the Eligible Employees resident in Québec have also received an offering notice and a copy of the Filer's most recent audited financial statements at that time. The annual reports, proxy materials and other materials that the Filer sends to its Australian-resident holders of its Shares under Australian securities laws will be concurrently provided or made available to the participants in the Plan.

11. Under the Plan, the Options will generally vest on the third anniversary of the date of grant of and, if not exercised, lapse 59 months after the date of grant.

12. The exercise price of an Option will be equal to the greater of: (a) the average market value of the Shares on the Australian Stock Exchange in the 10 trading days immediately preceding the date the Options are offered; and (b) 0.20 Australian dollars (approximately C\$ 0.16).

13. The consideration to be paid for Shares issued upon the exercise of the Options granted under the Plan may consist of cash or its equivalent. Computershare Canada may implement a cashless exercise program (the "Program") whereby the exercise price of an Option will not be required to be paid at the time the Option is exercised, but will be satisfied upon the sale of the Share underlying the Option.

14. The services of an agent (the "Agent") that is not registered in the Jurisdictions may be utilized to facilitate the implementation and operation of the Program, and to conduct other related administrative functions, including facilitating the resale of the Shares acquired under the Plan outside of Canada. The Agent will be registered under applicable U.S. and/or Australian securities legislation to trade in securities.

15. In certain limited circumstances under the Plan, former employees or their legal representatives (collectively, the "Former Employees") may exercise the Options for a limited time as follows: (a) those employees whose employment ceases by reason of permanent disability, death or retirement with respect to any Options (including those Options that would not otherwise be vested); and (b) those employees whose employment ceases due to voluntary resignation, workforce reduction or position elimination with respect to any vested Options with the approval of the Board of Directors of the Filer.

16. Under the Plan, the Options may be assigned or transferred to: (a) the legal personal representative or designated beneficiary of an Eligible Employee upon the death of an Eligible Employee; and (b) a family member or associated company or trust of the Eligible Employee (collectively, the "Permitted Transferees"). The purpose of such assignments or transfers under the Plan is to enable the Eligible Employees to structure their holding of the Options for tax planning purposes.

17. There are no exemptions from the Registration Requirements and Prospectus Requirements to permit the transfer or assignment of the Options to the Permitted Transferees under the Legislation of the Jurisdictions.

18. There are no exemptions from the Registration Requirements under the Legislation of the Jurisdictions with respect to the participation of the Agent in the Plan.

19. There is no market for the Options or Shares in Canada and none is expected to develop. Any resale of the Shares acquired under the Plan will be effected through the facilities, and in accordance with the rules and laws applicable to, a stock exchange or organized market outside of Canada on which the Shares may be listed or quoted for trading.

20. The first trade in Shares acquired in connection with the Plan by the Eligible Employees, Former Employees, and the Permitted Transferees require relief from the Registration Requirements and Prospectus Requirements given that exemptions from such requirements are not available under the Legislation in certain of the Jurisdictions in respect of such first trade as follows:

(a) in British Columbia, an exemption from the Registration Requirement is not available in respect of the first trade in Shares acquired under the Plan by the Permitted Transferees;

(b) in Alberta, an exemption from the Registration Requirements and Prospectus Requirements is not available in respect of the first trade in Shares acquired under

the Plan by the Eligible Employees, Former Employees and Permitted Transferees;

(c) in Manitoba, an exemption from the Registration Requirements is not available in respect of the first trade in Shares acquired under the Plan by the Eligible Employees, Former Employees and Permitted Transferees;

(d) in Ontario, an exemption from the Registration Requirements is not available in respect of the first trade in Shares acquired under the Plan by the Former Employees and Permitted Transferees; and

(e) in Nova Scotia, an exemption from the Registration Requirements and Prospectus Requirements is not available in respect of the first trade in Shares acquired under the Plan by the Eligible Employees, Former Employees and Permitted Transferees.

AND WHEREAS pursuant to 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 pursuant to the Legislation is that:

(a) the Registration Requirements and Prospectus Requirements shall not apply to the transfer or assignment of an Option by an Eligible Employee to a Permitted Transferee, provided that

(i) the first trade in such Option by the Permitted Transferee, other than the exercise of such Option for Shares, shall be deemed a distribution or a primary distribution to the public; and

(ii) the first trade in Shares acquired by the Permitted Transferee upon the exercise of the Option shall be deemed a distribution or a primary distribution to the public;

(b) the Registration Requirements shall not apply to the Agent, or the Filer and its subsidiaries, in connection with trades in Options and Shares under the Plan; and

(c) the Registration Requirements and Prospectus Requirements shall not apply to a first trade in Shares acquired under the Plan by Eligible Employees, Former Employees and Permitted Transferees provided that at the time of the acquisition of the Options:

(i) The Filer is not a reporting issuer or its equivalent under the Legislation of the Jurisdictions;

(ii) Holders of the Shares whose last address as shown on the books of the Filer is in Canada do not hold more than 10% of the outstanding Shares and will not represent in number more than 10% of the total number of holders of the Shares; and

(iii) The trade is made through the facilities of an exchange outside of Canada in accordance with all the rules and laws applicable to such exchange.

"J.A. Geller"

"R.S. Paddon"

Dated this 2<sup>nd</sup> day of November, 2001.

#### Headnote

Mutual Reliance Review System for Exemptive Relief Applications – trades made to former employees and certain permitted transferees in accordance with provisions of employee stock purchase plan exempt from registration and prospectus requirements – first trade in shares acquired by former employees and permitted transferees deemed a distribution unless issuer not a reporting issuer and trade is executed through facilities of an exchange outside of Canada

Applicable Ontario Statutory Provisions

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

Applicable Ontario Rules

Rule 45-503 Trades to Employees, Executives and Consultants (1998) 22 O.S.C.B. 117

Rule 72-501 Prospectus Exemption for First Trade Over a Market Outside Ontario (1998) 21 O.S.C.B. 3873