

**IN THE MATTER OF THE SECURITIES LEGISLATION OF THE  
PROVINCES OF MANITOBA AND NEW BRUNSWICK, AND THE NORTHWEST  
TERRITORIES, THE YUKON TERRITORY AND THE TERRITORY OF NUNAVUT**

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

**AND  
IN THE MATTER OF  
FLEMING COMPANIES, INC. AND  
CORE-MARK INTERNATIONAL, INC.**

**MRRS DECISION DOCUMENT**

**WHEREAS** the local securities regulatory authority or regulator (the "**Decision Maker**") in each of the Provinces of Manitoba and New Brunswick and the Northwest Territories, the Yukon Territory and the Territory of Nunavut (collectively, the "**Jurisdictions**") has received an application (the "**Application**") from Fleming Companies, Inc. ("**Fleming**"), Core-Mark International, Inc. ("**Core-Mark**"), on their own behalf and on behalf of a corporation to be organized under the laws of the State of Delaware ("**Core-Mark Newco**" or the "**Issuer**", and together with Fleming and Core-Mark, the "**Filers**") for a decision pursuant to the securities legislation of the Jurisdictions (the "**Legislation**") that the registration and prospectus requirements contained in the Legislation shall not apply to trades of certain securities pursuant to a plan of reorganization (the "**Restructuring Plan**") made under the U.S. Bankruptcy Code subject to certain conditions;

**AND WHEREAS** under the Mutual Reliance Review System for Exemptive Relief Applications (the "**System**"), The Manitoba Securities Commission is the principal regulator for this Application;

**AND WHEREAS** unless otherwise defined, the terms herein have the meanings set out in National Instrument 14-101, Definitions;

**AND WHEREAS** the Filers have represented to the Decision Makers that:

1. Fleming is a corporation organized under the laws of the State of Oklahoma, with its head office in Dallas, Texas. Fleming and its subsidiaries, including Core-Mark, (collectively, the "**Fleming Group**" or the "**Debtors**") was one of the largest distributors of consumable goods in North America, supplying food, food-related and general merchandise products throughout North America, with distribution centres throughout the United States and Western Canada.

2. Core-Mark is a corporation organized under the laws of the State of Delaware, with its head office in South San Francisco, California. It is extra-provincially registered in the Province of British Columbia, and its Canadian head office is located in Burnaby, British Columbia. Core-

Mark is also extra-provincially registered in the Province of Manitoba, and has a distribution centre located at 99 Bannister Road, Winnipeg, Manitoba R2R 0S2. Core-Mark is a wholly-owned subsidiary of Fleming.

3. Core-Mark has twenty-two distribution centres, of which four are located in Western Canada (including one in Manitoba) and eighteen are located in the United States of America. Core-Mark has approximately 3,350 employees, of which approximately 3,000 are located in the United States of America and approximately 350 are located in Canada. In the last three years, Core-Mark generated revenues of approximately US\$4 billion per year. In 2003, Core-Mark generated revenues of almost US\$5 billion, of which approximately US\$1 billion was generated from sales in Canada and approximately US\$4 billion was generated from sales in the United States of America.

4. Core-Mark Newco is a corporation to be organized under the laws of the State of Delaware.

5. None of Fleming, Core-Mark or Core-Mark Newco is a reporting issuer in any of the Jurisdictions.

6. On April 1, 2003 (the "**Petition Date**"), the Fleming Group commenced proceedings in the U.S. Bankruptcy Court (the "**U.S. Cases**") pursuant to Chapter 11 of the United States Bankruptcy Code ("**Chapter 11**"). The Restructuring Plan provides for a comprehensive reorganization of Core-Mark's business, such that the business and assets of Core-Mark Newco and certain subsidiaries (to be incorporated as part of the Restructuring Plan) following implementation of the Restructuring Plan will consist primarily of the business and assets currently operated through Core-Mark and its subsidiaries.

7. Pursuant to an Order dated April 8, 2003, the Supreme Court of British Columbia, among other things, ordered that Core-Mark was entitled to relief under the federal Companies Creditors Arrangement Act ("**CCAA**") and granted a stay of proceedings to protect Core-Mark's Canadian operations and assets while the entire Fleming Group attempts to restructure under Chapter 11 proceedings in the U.S. Cases. The stay of proceedings has been extended by subsequent orders of the Supreme Court of British Columbia, most recently by an order dated March 30, 2004, extending the stay to July 31, 2004.

8. Under the Restructuring Plan, among other things:

(a) certain creditors of the Fleming Group with (i) general unsecured claims falling within class 6(A) of the Restructuring Plan (the "**Class 6(A) Claims**") and (ii) claims by the holders (the "**Senior Subordinated Noteholders**", and together with the holders of Class 6(A) Claims, the "**Unsecured Creditors**") of unsecured senior subordinated notes of Fleming (the "**Senior Subordinated Notes**") will, on the Effective Date, be paid, in full satisfaction, settlement, release and discharge of and in exchange for each and every Class 6(A) Claim, by the issuance of common shares in Core-Mark Newco (the "**Newco Shares**") to such Unsecured Creditors; and

(b) the Senior Subordinated Noteholders will also be issued non-dilutive warrants by Core-Mark Newco (the "**Newco Warrants**" and, together with the Newco Shares, the "**Newco Securities**") as additional consideration for the cancellation of their Senior Subordinated Notes, which Newco Warrants, when struck, will result in the Senior Subordinated Noteholders receiving Newco Shares;

(collectively, the "**Trades**").

9. The "**Effective Date**" means the date selected by the Fleming Group and the Official Committee of Unsecured Creditors appointed in the U.S. Cases by the United States Trustee on April 14, 2003 (the "**Committee**") on which:

(a) no stay of the order of the U.S. Bankruptcy Court confirming the Restructuring Plan pursuant to section 1128 of the United States Bankruptcy Code (the "**Confirmation Order**") is in effect; and

(b) all conditions precedent (the "**Conditions Precedent**") to the Effective Date and to obtaining the Confirmation Order, as specified in the Restructuring Plan, have been either satisfied or waived by the Fleming Group, with the consent of the Committee, in accordance with the terms of the Restructuring Plan.

10. The Conditions Precedent in the Restructuring Plan, and therefore, to the issuance of the Newco Securities to Unsecured Creditors include, but are not limited to:

(a) The Confirmation Order confirming the Restructuring Plan must have been entered and become a final order (the "**Final Confirmation Order**") in form and substance satisfactory to the Fleming Group and the Committee and must provide that, among other things, the issuance of Newco Shares to Unsecured Creditors under the Restructuring Plan is exempt from registration under the U.S. Securities Act pursuant to section 1145 of the U.S. Bankruptcy Code, except only to the extent that the holders of the Newco Shares are "**underwriters**", as that term is defined in section 1145 of the Bankruptcy Code;

(b) The appropriate final order recognizing and implementing the Restructuring Plan in Canada must have been obtained pursuant to the CCAA (the "**Final CCAA Order**") from the Supreme Court of British Columbia or such other court in Canada having jurisdiction over the proceedings under the CCAA from time to time (the "**Canadian CCAA Court**"); and

(c) The issuance of the Newco Shares to the Unsecured Creditors in satisfaction of the allowed Class 6(A) Claims under the Restructuring Plan must be exempt from the prospectus and registration requirements and the first trade thereof must be exempt from the prospectus and registration requirements of the securities laws of each of the provinces and territories of Canada (including, to the extent necessary, pursuant to an order or orders issued by the applicable Canadian

securities regulators granting relief from any such prospectus and registration requirements that would otherwise be applicable).

11. Pursuant to the U.S. Bankruptcy Code, the Restructuring Plan is subject to approval of the creditors, including the Unsecured Creditors (the "**Creditor Approval**"). In connection with the Creditor Approval, a Third Amended and Revised Disclosure Statement for the Restructuring Plan (the "**Disclosure Statement**") was prepared in accordance with the requirements of the U.S. Bankruptcy Code and was approved by the U.S. Bankruptcy Court on May 25, 2004 and has been distributed to creditors of the Fleming Group, including the Unsecured Creditors. The Disclosure Statement provides a detailed description of the terms of the Restructuring Plan and the background and events leading to filing of the Restructuring Plan and prospectus level disclosure of the business of the Filers.

12. The Filers believe that ensuring that there will be a liquid market for the Newco Shares will be an important factor in obtaining the consent of the Unsecured Creditors to the Restructuring Plan. Therefore, following confirmation of the Restructuring Plan, Fleming intends to cause Core-Mark Newco to file a non-offering prospectus for the Newco Shares in British Columbia (thereby becoming a reporting issuer in that province) and to seek a listing of the Newco Shares on the Toronto Stock Exchange.

13. In connection with the Issuer's proposed filing of a prospectus with the British Columbia Securities Commission for the Newco Shares, Fleming applied to the British Columbia Securities Commission under section 95 of the rules (the "**B.C. Rules**") pursuant to the Securities Act, RSBC 1996, c. 418 (as amended), and has obtained, a waiver of the financial statement requirements contained in Part 9 of the B.C. Rules and Part 13 of British Columbia Instrument 41-601, and a consent to the use of the following financial statements in the prospectus:

- (a) audited balance sheets of Core-Mark as at December 31, 2003 and 2002;
- (b) audited statements of income, retained earnings and cash flows of Core-Mark for the fiscal years ended December 31, 2003 and 2002;
- (c) interim statements of Core-Mark for the current fiscal year in compliance with the requirements of British Columbia securities laws;
- (d) audited balance sheet of Core-Mark Newco as at the effective date of the restructuring pursuant to implementation of the Restructuring Plan; and
- (e) any interim financial statements required by section 4.6 of OSC Rule 41-501 depending on the date that Core-Mark Newco files its preliminary and final prospectuses in respect of the Newco Shares.

14. The implementation of the Restructuring Plan is necessary for the convenience store business of Core-Mark and its subsidiaries to continue as a going concern.

15. Following implementation of the Restructuring Plan, the business carried on by Core-Mark Newco and its subsidiaries will be the same, or substantially the same, as the business currently carried on by Core-Mark and its subsidiaries.

16. The Filers were not required to file a separate plan of reorganization under the CCAA. However, issuance of the Final CCAA Order by the Canadian CCAA Court is a Condition Precedent to the Effective Date.

17. All Trades of Newco Securities to Unsecured Creditors (including to the Senior Subordinated Noteholders) will be made pursuant to the Restructuring Plan.

18. Fleming has conducted a best interests analysis and valuation analysis, the details of which are set out in the Disclosure Statement, and the Filers believe on the basis of those analyses that the creditors with allowed claims, including the Unsecured Creditors, will receive at least as much under the Restructuring Plan as they would in a liquidation pursuant to Chapter 7 of the U.S. Bankruptcy Code. The Filers believe that if the Unsecured Creditors do not approve the Restructuring Plan, it is likely that the only true alternative will be a liquidation of Core-Mark and a sale of its assets. The ramifications for Core-Mark's Canadian operations are unknown but could be disruptive and materially adverse, potentially involving significant losses of employment in Canada.

19. The Filers believe on the basis of advice from their U.S. counsel that the Trades occurring in the United States will be exempt from the registration requirement under section 5 of the U.S. Securities Act and state laws by application of section 1145(a)(1) of the U.S. Bankruptcy Code, and one of the Conditions Precedent to the Effective Date is that the Final Confirmation Order will confirm that the Trades of Newco Shares occurring in the United States will be so exempt.

**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 issuance of any Newco Securities by the Issuer to Unsecured Creditors pursuant to the Restructuring Plan shall not be subject to the registration and prospectus requirements of the Legislation, provided that:

(i) the Final Confirmation Order and the Final CCAA Order (collectively, the "**Orders**") have issued and all approvals required by the Orders have been obtained; and

(ii) all Conditions Precedent to the Effective Date of the Restructuring Plan have been satisfied or waived in accordance with the Restructuring Plan; and

(b) the first trade of Newco Securities issued under the Restructuring Plan shall be a distribution (or a primary distribution to the public, as the case may be) under the applicable Legislation unless the conditions in subsection (3) of section 2.6 or, with respect to control distributions, subsections (2) to (4) of section 2.8, of Multilateral Instrument 45-102 Resale of Securities ("MI 45-102") are satisfied, except that Item 1 of subsection (3) of section 2.6, or with respect to control distributions, Item 1 of subsection (2) of section 2.8, of MI 45-102 shall not apply if the Issuer becomes a reporting issuer after the distribution date by filing a prospectus in a jurisdiction listed in Appendix B to MI 45-102 and is a reporting issuer in a jurisdiction of Canada at the time of the trade.

**DATED** this 23rd day of July, 2004.

"Doug Brown"  
Director - Legal