

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, BRITISH COLUMBIA, MANITOBA, NEW BRUNSWICK, NEWFOUNDLAND
AND LABRADOR, NOVA SCOTIA, ONTARIO, PRINCE EDWARD ISLAND, QUEBEC
AND SASKATCHEWAN

AND

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

AND

IN THE MATTER OF
GENERAL ELECTRIC CAPITAL CORPORATION AND
GE CAPITAL CANADA FUNDING COMPANY

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Makers" or the "Commissions") in each of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island, Quebec and Saskatchewan (collectively, the "Jurisdictions") has received an application (the "Application") from General Electric Capital Corporation ("GE Capital") and its indirect wholly-owned subsidiary, GE Capital Canada Funding Company (the "Issuer", and together with GE Capital, the "Applicants") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that:

A. the Applicants be exempted from the following requirements contained in the Legislation:

(i) the requirements in section 2.5(1) of National Instrument 44-101 ("NI 44-101") that a person or company guaranteeing non-convertible debt issued by an issuer be a reporting issuer with a 12-month reporting history in a Canadian province or territory and have a current annual information form (an "AIF") (the "Eligibility Requirement") in order to permit the Issuer to issue non-convertible debt securities, in particular medium term notes (the "Notes"), with an approved rating (as defined in NI 44-101) which will be fully and unconditionally guaranteed by GE Capital (the issue of the Notes being referred to as the "Offering");

(ii) the requirement in NI 44-101 that the short form prospectus filed by the Issuer in connection with the Offering include a reconciliation (the "Reconciliation Requirement") to Canadian generally accepted accounting principles ("GAAP") of the consolidated financial statements of GE Capital included in or incorporated by reference into the prospectus which have been prepared in accordance with foreign GAAP and that, where such financial statements are audited in accordance

with foreign generally accepted auditing standards ("GAAS"), the Issuer provide a statement by the auditor disclosing any material differences in the auditor's report and confirming that the auditing standards of the foreign jurisdiction are substantially similar to Canadian GAAS;

(iii) the requirement in NI 44-101 and under the Legislation of Ontario (Ontario Securities Commission Rule 51-501), Quebec (section 159 of the Regulation to the Securities Act (Quebec)) and Saskatchewan (Saskatchewan Instrument 51-501) that the Issuer have a current AIF and file renewal AIFs (the "AIF Requirement") with the Commissions;

(iv) the requirement that the Issuer file with the Commissions and send, where applicable, to its securityholders audited annual financial statements or annual reports, where applicable, including without limitation management's discussion and analysis thereon (the "Annual Financial Statement Requirement");

(v) the requirement that the Issuer file with the Commissions and send, where applicable, to its securityholders unaudited interim financial statements, including without limitation management's discussion and analysis thereon (the "Interim Financial Statement Requirement");

(vi) the requirement that the Issuer issue and file with the Commissions press releases and file material change reports (the "Material Change Requirement");

(vii) the requirement that the insiders of the Issuer file with the Commissions insider reports (the "Insider Reporting Requirement"); and

(viii) the requirement that the Issuer comply with the proxy and proxy solicitation requirements, including filing an information circular or report in lieu thereof (the "Proxy Requirement" and together with the Annual Financial Statement Requirement, the Interim Financial Statement Requirement, the Material Change Requirement and the Insider Reporting Requirement, the "Continuous Disclosure and Reporting Requirements"); and

B. the Application and the Decision, as defined below, be held in confidence by the Decision Makers subject to certain conditions.

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 Applicants have represented to the Decision Makers that:

1. GE Capital was incorporated in 1943 in the State of New York under the provisions of the New York Banking Law relating to investment companies, as successor to General Electric Contracts Corporation, which was formed in 1932. Until 1987, the name of GE Capital was

General Electric Credit Corporation. GE Capital was reincorporated in 2001 in the State of Delaware.

2. All outstanding common stock of GE Capital is owned by General Electric Capital Services, Inc., the common stock of which is in turn wholly owned directly or indirectly by General Electric Company ("GEC"). GEC is a diversified industrial company whose common stock is listed and posted for trading on the facilities of the New York Stock Exchange.

3. GE Capital provides a variety of consumer services, mid-market financing, specialized financing, specialty insurance, equipment management and other specialized services to businesses and individuals around the world. As at December 31, 2001, GE Capital had total assets of more than US\$381 billion.

4. GE Capital is not a reporting issuer or the equivalent in any of the Jurisdictions.

5. GE Capital has been a reporting company under the United States Securities Exchange Act of 1934, as amended (the "1934 Act"), for more than 15 years.

6. GE Capital has filed with the United States Securities and Exchange Commission (the "SEC") all filings required to be made with the SEC under the 1934 Act during the last 12 months.

7. GE Capital's outstanding long term debt is rated "AAA" by both Standard & Poor's and Moody's Investors Services. As at December 31, 2001, GE Capital had more than US\$75 billion in long term debt outstanding. GE Capital also had more than \$110 billion outstanding in the commercial paper markets as at December 31, 2001.

8. The Issuer was incorporated as an unlimited liability company under the laws of Nova Scotia on September 17, 1998 and is an indirect wholly-owned subsidiary of GE Capital. The head office of the Issuer is in Mississauga, Ontario.

9. The Issuer is not currently a reporting issuer in any of the Jurisdictions.

10. The Issuer's primary business is to obtain financing in public markets to fund the operations of affiliated companies in Canada, and will have no other operations. As at December 31, 2001, the Issuer had more than \$8.9 billion in non-convertible debt securities outstanding (the "Existing Debt"). The Existing Debt was issued in the Eurobond market and the Canadian commercial paper market and has been fully and unconditionally guaranteed by GE Capital.

11. GE Capital satisfies the criteria set forth in paragraph 3.1(a) of National Instrument 71-101 ("NI 71-101") and is eligible to use the multi-jurisdictional disclosure system ("MJDS"), as set out in NI 71-101, for the purpose of distributing approved rating non-convertible debt in Canada based on compliance with United States prospectus requirements with certain additional Canadian disclosure.

12. Except for the fact that the Issuer is not incorporated under United States law, the Offering would comply with the alternative eligibility criteria for offerings of non-convertible debt having an approved rating under the MJDS as set forth in Section 3.2 of NI 71-101.

13. The Issuer is ineligible to issue the Notes by way of a prospectus in the form of a short form prospectus under NI 44-101 as neither the Issuer nor GE Capital, as credit supporter for the payments to be made by the Issuer under the Notes, is a reporting issuer in any province or territory of Canada, and GE Capital does not itself have a current AIF.

14. As a result of the Offering, the Issuer will become a reporting issuer or the equivalent under the Legislation and would therefore be subject to the AIF Requirement and the Continuous Disclosure and Reporting Requirements unless the relief requested herein is granted.

15. In connection with the Offering:

(i) prior to filing a preliminary short form prospectus for the Offering:

(a) GE Capital will file with the Commissions an AIF in the form of GE Capital's annual report on Form 10-K for the year ended December 31, 2001 (the "GE Capital Form 10-K"), in electronic format through SEDAR (as defined in National Instrument 13-101) under a SEDAR profile to be created for the Issuer; and

(b) GE Capital will file with the Commissions, in electronic format through SEDAR under a SEDAR profile to be created for the Issuer, the documents that GE Capital has filed under the 1934 Act during the last year being, as of the date hereof, an annual report on Form 10-K for the year ended December 31, 2001 and quarterly reports on Form 10-Q for the periods ending September 30, 2001, June 30, 2001 and March 31, 2001;

(ii) the prospectus will be prepared pursuant to the short form prospectus requirements contained in NI 44-101 and will comply with the requirements set out in Form 44-101F3 of NI 44-101 with the disclosure required by item 12 (documents incorporated by reference) of Form 44-101F3 of NI 44-101 being addressed by incorporating by reference GE Capital's public disclosure documents, including the GE Capital Form 10-K and with the disclosure required by item 7 (earnings coverage ratios) of Form 44-101F3 of NI 44-101 being addressed by disclosure with respect to GE Capital in accordance with United States requirements;

(iii) the prospectus will include or incorporate by reference all material disclosure concerning the Issuer;

(iv) the prospectus will incorporate by reference the GE Capital Form 10-K (as filed under the 1934 Act) together with all Form 10-Qs and Form 8-Ks of GE

Capital filed under the 1934 Act in respect of the financial year following the year that is the subject of the GE Capital Form 10-K, as would be required were GE Capital to file a registration statement on Form S-4 in the United States, and will incorporate by reference any documents of the foregoing type filed after the date of the prospectus and prior to termination of the Offering and will state that purchasers of the Notes will not receive separate continuous disclosure information regarding the Issuer;

(v) the consolidated annual and interim financial statements of GE Capital that will be included in or incorporated by reference into the short form prospectus are prepared in accordance with U.S. GAAP and otherwise comply with the requirements of U.S. law, and in the case of audited annual financial statements, such financial statements are audited in accordance with U.S. GAAS;

(vi) GE Capital will fully and unconditionally guarantee the payments to be made by the Issuer as stipulated in the terms of the Notes or in an agreement governing the rights of holders of Notes (the "Noteholders") such that the Noteholders shall be entitled to receive payment from GE Capital within 15 days of any failure by the Issuer to make a payment as stipulated;

(vii) the Notes will have an approved rating;

(viii) the Notes will rank pari passu to the Existing Debt;

(ix) GE Capital will sign the prospectus as credit supporter; and

(x) GE Capital will undertake to file with the Commissions, in electronic format through SEDAR under a SEDAR profile to be created for the Issuer, all documents that it files under Sections 13 (other than sections 13(d), (f) and (g) which relate, inter alia, to holdings by GE Capital of securities of other public companies) and 15(d) of the 1934 Act, together with the appropriate filing fees, until such time as the Notes are no longer outstanding.

16. In the circumstances, were GE Capital to have effected the Offering of the Notes under the MJDS it would be unnecessary for it to reconcile to Canadian GAAP its financial statements included in or incorporated by reference into the short form prospectus in connection with the issuance of the Notes.

17. Part 7 of NI 44-101 and Item 20.1 of Form 44-101F3 of NI 44-101 require the reconciliation to Canadian GAAP of financial statements prepared in accordance with foreign GAAP that are included in a short form prospectus.

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 pursuant to the Legislation is that the Applicants be exempted from the Eligibility Requirement and the Reconciliation Requirement in connection with the Offering provided that:

- (i) each of the Issuer and GE Capital complies with paragraph 15 above;
- (ii) the Issuer complies with all of the filing requirements and procedures set out in NI 44-101 except as varied by the Decision or as permitted by National Instrument 44-102;
- (iii) GE Capital remains the direct or indirect beneficial owner of all of the issued and outstanding voting securities of the Issuer; and
- (iv) GE Capital continues to satisfy the criteria set forth in paragraph 3.1 of NI 71-101 (or any successor provision) and remains eligible to use MJDS (or any successor instrument) for the purposes of distributing approved rating non-convertible debt in Canada based on compliance with United States prospectus requirements with certain additional Canadian disclosure.

THE FURTHER DECISION of the Decision Makers pursuant to the Legislation is that, in connection with the Offering, the AIF Requirement shall not apply to the Issuer, provided that (i) GE Capital complies with the AIF requirements of NI 44-101 as if it is the issuer; and (ii) the Applicants comply with all of the conditions in the Decisions above and below.

Dated June 21, 2002

"Margo Paul"

THE FURTHER DECISION of the Decision Makers pursuant to the Legislation is that, in connection with the Offering:

A. the Annual Financial Statement Requirement shall not apply to the Issuer, provided that (i) the Issuer files with the Commissions the annual reports on Form 10-K filed by GE Capital with the SEC within one business day after they are filed with the SEC; and (ii) such documents are provided to Noteholders whose last address as shown on the books of the Issuer is in Canada in the manner and at the time required by applicable United States law;

B. the Interim Financial Statement Requirement shall not apply to the Issuer, provided that (i) the Issuer files with the Commissions the quarterly reports on Form 10-Q filed by GE Capital with the SEC within one business day after they are filed with the SEC; and (ii) such documents are provided to Noteholders whose last address as shown on the books of the Issuer is in Canada in the manner and at the time required by applicable United States law;

C. the Material Change Requirement shall not apply to the Issuer, provided that (i) the Issuer files with the Commissions the mandatory reports on Form 8-K (including press releases) filed by GE Capital with the SEC forthwith after the earlier of the date the report is filed with the SEC and the date it is required to be filed with the SEC; (ii) GE Capital forthwith issues in each Jurisdiction and the Issuer files with the Commissions any press release that discloses material information and which is required to be issued in connection with the mandatory Form 8-K requirements applicable to GE Capital; and (iii) if there is a material change in respect of the business, operations or capital of the Issuer that is not a material change in respect of GE Capital, the Issuer will comply with the requirements of the Legislation to issue a press release and file a material change report notwithstanding that the change may not be material in respect of GE Capital;

D. the Insider Reporting Requirement shall not apply to insiders of the Issuer, provided that such insiders file with the SEC on a timely basis the reports, if any, required to be filed with the SEC pursuant to section 16(a) of the 1934 Act and the rules and regulations thereunder; and

E. the Proxy Requirements shall not apply to the Issuer, provided that (i) GE Capital complies with the requirements of the 1934 Act and the rules and regulations thereunder relating to proxy statements, proxies and proxy solicitations in connection with any meetings of its noteholders (if any); (ii) the Issuer files with the Commissions the materials relating to any such meeting filed by GE Capital with the SEC within one business day after they are filed by GE Capital with the SEC; and (iii) such documents are provided to Noteholders whose last address as shown on the books of the Issuer is in Canada in the manner, at the time and if required by applicable United States law;

for so long as (i) GE Capital maintains an approved rating in respect of the Notes; (ii) GE Capital maintains direct or indirect beneficial ownership of all of the issued and outstanding voting securities of the Issuer; (iii) GE Capital maintains a class of securities registered pursuant to section 12(b) or 12(g) of the 1934 Act or is required to file reports under Section 15(d) of the 1934 Act; (iv) GE Capital continues to satisfy the criteria set forth in paragraph 3.1 of NI 71-101 (or any successor provision) and remains eligible to use MJDS (or any successor instrument) for the purpose of distributing approved rating non-convertible debt in Canada based on compliance with United States prospectus requirements with certain additional Canadian disclosure; (v) the Issuer carries on no other business than that set out in paragraph 10 of the Decision; (vi) GE Capital continues to fully and unconditionally guarantee the Notes as to the payments required to be made by the Issuer to the Noteholders; (vii) the Issuer does not issue additional securities other than (a) the Notes, debt securities ranking pari passu to the Notes, any debentures issued in connection with the security granted by the Issuer to the Noteholders or the holders of the Existing Debt or debt ranking pari passu with the Notes, or (b) to GE Capital or to, direct or indirect, wholly-owned subsidiaries of GE Capital; and (viii) if notes debt securities ranking pari passu with the Notes are hereinafter issued by the Issuer, GE Capital shall fully and unconditionally guarantee such debt securities as to the payments required to be made by the Issuer to holders of such notes or debt securities.

THE FURTHER DECISION of the Decision Makers pursuant to the Legislation is that the Application and the Decision shall be held in confidence by the Decision Makers until the earlier

of the date that the preliminary prospectus is filed in connection with the Offering and July 31, 2002.

Dated June 21, 2002

"Paul M. Moore"

"H. Lorne Morphy"

Headnote

Mutual Reliance Review System for Exemption Relief Applications - Subsidiary of U.S. corporation where U.S. parent is credit supporter exempt from GAAP reconciliation requirements and eligibility requirements of NI 44-101 and AIF requirement - Financing subsidiary further exempt from interim and annual financial statement requirements (including MD&A requirements), material change requirements, proxy requirements and insider reporting requirements - Relief subject to conditions, including filing, under issuer's SEDAR profile, of documents filed by the credit support of the issuer with the Securities and Exchange Commission.

Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 75, 80(b)(iii), 77, 78, 107, 108, 109 and 121(2)(a)(ii).

National Instruments Cited

National Instrument 44-101 *Short Form Prospectus Distributions*

National Instrument 44-102 *Shelf Distributions*.

National Instrument 71-101 *Multijurisdictional Disclosure System*

Ontario Rules Cited

Rule 51-501 *AIF and MD&A*,