

IN THE MATTER OF  
THE CANADIAN SECURITIES LEGISLATION  
OF  
ALBERTA, SASKATCHEWAN, MANITOBA,  
QUEBEC, NEW BRUNSWICK, PRINCE EDWARD ISLAND, NOVA SCOTIA  
NEWFOUNDLAND, YUKON, NUNAVUT AND NORTHWEST TERRITORIES  
(collectively, the "Jurisdictions")  
AND  
IN THE MATTER OF  
THE MUTUAL RELIANCE REVIEW FOR  
EXEMPTIVE RELIEF APPLICATIONS  
AND  
IN THE MATTER OF  
INVESTORS GROUP INC.  
  
DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Makers") in Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Prince Edward Island, Nova Scotia, Newfoundland, Yukon Territory, Nunavut Territory and Northwest Territories (the "Jurisdictions") have received an application from Investors Group Inc. ("IGI"), on its own behalf and on behalf of its wholly-owned subsidiaries Investors Group Financial Services Inc. ("IGFS") and Les Services Investors Limit e ("LSIL"), (collectively, the "Filer") for a decision pursuant to the Canadian securities legislation (the "Legislation") of the Jurisdictions exempting the granting by IGI of options (the "Options") to purchase common shares (the "Common Shares") of IGI pursuant to its Stock Option Plan (the "Plan") to certain individuals who exclusively sell financial products and services approved by the Filer, as described below, from the registration and prospectus requirements of the Legislation.

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System") The Manitoba Securities Commission is the principal regulator for this application;

AND WHEREAS it has been represented by the Filer to the Commissions that:

1. IGI is a corporation incorporated under the laws of Canada, is a reporting issuer or equivalent under the Legislation of all of the Jurisdictions and is not in default of any of the requirements of the Legislation. The authorized capital of IGI consists of an unlimited number of Common Shares, an unlimited number of First Preferred Shares issuable in series, an unlimited number of Second Preferred Shares issuable in series and an unlimited number of Class 1 Non-Voting Shares, all without par value. As of December 31, 2000 there are issued and outstanding 209,742,580 Common Shares. As of December 31, 2001, IGI also has \$168,435,000 of debt outstanding in the form of public debentures and notes;
2. The Common Shares are, and the Common shares issuable upon exercise of the Options will be, listed on The Toronto Stock Exchange, and trade under the symbol "IGI".

3. Two of IGI's principal operating subsidiaries are IGFS and LSIL. IGFS is registered under the Legislation of all of the Jurisdictions except Quebec in the category of mutual fund dealer or equivalent. LSIL is registered under the Legislation in Quebec as a mutual fund dealer;
4. IGFS and LSIL have contracted with, and may contract in the future with, individuals who are resident in the various Jurisdictions (the "Salespersons"), each of whom is or will be registered as a "salesperson" or equivalent under the Legislation to trade in securities (who may also be designated as a branch manager under the Legislation) and who operate as independent contractors in branch offices of IGFS or LSIL, and provide securities-related services only to the Filer.
5. Although the Salespersons are independent contractors for federal income tax and employment law purposes, the Filer or the particular subsidiary of the Filer by which the Salesperson is retained is or will be responsible for much of the administration of the business carried on by the Salesperson and, in all cases, is or will be responsible for the regulatory supervision of the Salesperson consistent with a principal and agent relationship. Further, each Salesperson will be registered exclusively with the Filer or a subsidiary of the Filer for the purpose of trading in securities and will be covered by the bonding and insurance of the sponsoring dealer in the same manner as if the Salesperson was an employee of the sponsoring dealer;
6. The Filer acknowledges that the Canadian Securities Administrators have taken the position that sales representatives and investment advisors should only be permitted to carry out services on behalf of mutual fund dealers or securities dealers if employed by the dealer or engaged under a principal and agent relationship with the dealer
7. The Filer wishes to reward performance and provide an incentive for certain key Salespersons to contribute to the future success of the Filer's business;
8. The Salespersons' exclusive relationship with the Filer provides them with substantial knowledge about the business and affairs of the Filer. Additionally, the Salespersons who receive Options possess expertise of value to the Filer and spend a significant amount of time and attention on the business and affairs of the Filer;
9. The Plan provides for the granting of incentives in the form of Options to officers, employees and key associates of IGI or its subsidiaries (the "Optionees");
10. The Granting of Options to Salespersons will not be in connection with the offer or sale of securities in capital-raising transactions and the Salespersons to whom the Options are granted will not be directly or indirectly required by the Filer to acquire the Common Shares to be issued upon exercise of the Options;
11. No cash consideration will be paid by a recipient of Options at the time they are granted;

12. The Options are non-transferable and non-assignable except upon death of an Optionee, at which time the Options may be transferred or assigned by will or pursuant to the laws of succession;

13. The Common Shares to be issued by IGI to the Salespersons upon the exercise of Options shall be issued in reliance upon the prospectus exemption contained in the Legislation for securities issued pursuant to the exercise of a right of the holder to acquire securities of an issuer; and

14. Investors Group obtained an order on February 28, 1998 from the Alberta Securities Commission in connection with the Plan, exempting the distribution of Options to Salespersons in Alberta from the registration and prospectus requirements of the Alberta Securities Act (the "Alberta Order"). To attain consistent treatment in all the Jurisdictions, the Filer seeks to revoke the Alberta Order.

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 the granting by IGI of Options to purchase Common Shares pursuant to the Plan to Salespersons shall be exempt from the registration and prospectus requirements of the Legislation.

DATED at Winnipeg, Manitoba this "22<sup>nd</sup>" day of June, 2001.

"Douglas R. Brown"  
Director Legal and Enforcement