

UNOFFICIAL TRANSLATION

IN THE MATTER OF THE SECURITIES LEGISLATION OF  
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA,  
Qu<sub>北</sub>c, NEW BRUNSWICK, PRINCE EDWARD ISLAND,  
NOVA SCOTIA AND NEWFOUNDLAND

AND

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

AND

IN THE MATTER OF NATIONAL SERVICE INDUSTRIES, INC.

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of the Commission des valeurs mobili<sub>北</sub>s du Qu<sub>北</sub>c, the British Columbia Securities Commission, the Alberta Securities Commission, the Saskatchewan Securities Commission, the Manitoba Securities Commission, the Office of the Administrator of Securities (New Brunswick), the Prince Edward Island Department of Justice, the Nova Scotia Securities Commission and the Securities Commission of Newfoundland (collectively, the "Jurisdictions") have received an application from National Service Industries, Inc. (the "Filer") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the requirements contained in the Legislation to prepare and file a prospectus shall not apply in connection with trades made to employees of the Filer or its subsidiaries located in Canada (the "Employees") and that the intended trades of Securities acquired pursuant to the Employee Stock Purchase Plan (the "Plan") shall not take place unless the trades are executed through the facilities of a stock exchange or organized market outside of Canada in accordance with the laws and rules applicable to such exchange or market.

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System") the Commission des valeurs mobili<sub>北</sub>s du Qu<sub>北</sub>c is the principal regulator for this application;

AND WHEREAS the Filer has represented to the Decision Makers that:

1. NSI Holdings Inc. ("Holdings") is a corporation governed by Part IA of the *Companies Act* (Quebec) and a wholly-owned subsidiary of the Filer;
2. The head office of Holdings is located at 1170 Peel Street, 5th Floor, Montreal, Quebec, H3B 4S8;

3. The Filer is a public corporation governed by the laws of the State of Delaware;
4. The address of the Filer's principal executive offices is 1420 Peachtree Street, N.E., Atlanta, Georgia;
5. Neither the Filer nor Holdings is a reporting issuer under the Legislation and neither of them has a present intention of becoming a reporting issuer under the Legislation;
6. The Filer is registered with the Securities and Exchange Commission (the "SEC") in the United States under the *Securities Exchange Act of 1934* and files with the SEC its annual report on Form 10-K as well as other continuous disclosure materials required under the statute;
7. The common shares (the "Securities") of the Filer are posted for trading on The New York Stock Exchange (the "NYSE");
8. Under the Plan, the Filer provides eligible employees (the "Participants") of the Filer or its subsidiaries who wish to become stockholders, an opportunity to purchase Securities of the Filer;
9. The Filer proposes to extend the Plan, the terms of which are qualified under a prospectus registered with the SEC, to Employees of Holdings;
10. Holdings has Employees located in each provinces of Canada;
11. The Participants are Employees of the Filer or employees of its participating subsidiaries, who have been employed by the Filer or its subsidiaries for at least six continuous months, other than (i) an employee whose customary employment is for 20 hours or less a week, (ii) an employee whose customary employment is for not more than five months in any calendar year, (iii) an employee who is deemed for purposes of section 423(b)(3) of the Internal Revenue Code of 1986, as amended, to own stock possessing five percent (5%) or more of the total combined voting power or value of all classes of stock of the Filer, and (iv) an employee subject to the laws of a country which would prohibit the employee's participation in the Plan;
12. The aggregate number of Securities that may be purchased under the Plan shall not exceed 1,500,000 shares. Notwithstanding the provisions of the Plan, Securities issued pursuant to the Plan to Participants in Canada may only be unissued shares of stock or stock held in treasury.
13. The purchase price per Security purchased for Participants pursuant to any offering of Securities under the Plan (the "Offering") shall be the sum of (a) eighty-five percent (85%) of the fair market value of such share on the Offering date on which such Offering commences or on the purchase date on which such

Offering expires, whichever is lower, and (b) any transfer, excise, or similar tax imposed on the transaction pursuant to which such Security is purchased;

14. The Board of Directors has delegated the administration of the Plan to five executive officers of the Filer who shall have the authority and power to administer the Plan and to make, adopt, construe, and enforce rules and regulations not inconsistent with the provisions of the Plan. It is also these executive officers in their sole discretion, who determine the method for delivering Securities by the Filer. Merrill Lynch Canada, which is registered as a dealer in each of the Jurisdictions, has been appointed by the Filer as the administrator with respect to Participants of Holdings located in Canada (the "Administrator") The Filer will arrange for delivery to the Administrator of shares purchased by the participating Employees, and the Administrator will hold the shares for and on behalf of a Participant unless and until the Participant instructs the Administrator to sell the shares (and remit proceeds to the Participant) or have a share certificate issued in the name of the Participant;

15. Participation in the Plan is voluntary, and Employees will not be induced to participate by expectation of employment or continued employment with the Filer or Holdings. Employees may withdraw from the Plan at any time. However, the right to purchase Securities under the Plan is personal to a Participant, is exercisable only by a Participant during his lifetime except as set forth in the Plan and may not be assigned or otherwise transferred by the Participant;

16. Participants in the Plan will receive such materials as are generally sent to holders of Securities of the Filer, including a copy of the plan and of this decision document and, from the time of their first participation, copies of the Filer's annual reports and proxy statements;

17. If at any time the number of Participants in one of the Jurisdictions who acquired Securities under the Plan exceeds 10% of the number of holders of Securities, where applicable, the Filer will apply for a further decision document with respect to further trades by the Plan Participants in Securities Acquired under the Plan. Or if, at any time, the Participants hold in excess of 10% of the total number of issued and outstanding Securities, where applicable, the Filer will apply for a further decision document with respect to further trades by the Plan Participants in Securities Acquired under the Plan.

18. Each Participant has the right to terminate his or her participation in the Plan at any time;

19. Because there is no formal market for the shares of the Filer in the Jurisdictions and none is expected to develop, any resale of shares acquired by Participants pursuant to the Plan will be effected through the facilities of the NYSE; and

20. There will be no brokerage commissions or service charges payable by Employees of Holdings on Securities purchased under the Plan;

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 requirement contained in the Legislation to prepare and file a prospectus and to be registered as a dealer (where applicable) shall not apply to trades by the Filer or the Administrator in Securities made to the Employees of Holdings located in Canada, pursuant to the Plan, and that the intended trades of Securities acquired pursuant to the Plan shall not take place unless the trades are executed through the facilities of a stock exchange or organized market outside of Canada in accordance with the laws and rules applicable to such exchange or market;

Dated at Montreal on October 1<sup>st</sup>, 1999.

(s) Jean Lorrain

Jean Lorrain

Directeur

Direction de la conformité et de l'application