

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

AND

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

AND

IN THE MATTER OF 2001 RBCP CANADIAN CO-INVESTMENT LIMITED
PARTNERSHIP

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba and Nova Scotia (the "Jurisdictions") has received an application from 2001 RBCP Canadian Co-Investment Limited Partnership (the "Applicant") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirements contained in the Legislation to be registered to trade in a security and to file and obtain a receipt for a preliminary prospectus and a prospectus (the "Registration and Prospectus Requirements") shall not apply to the proposed offering (the "Offering") of limited partnership interests (the "Interests") of the Applicant in the Jurisdictions;

AND WHEREAS under the Mutual Reliance Review Systems for Exemptive Relief Applications (the "System"), the British Columbia Securities Commission is the principal regulator for this application;

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

1. the Applicant is a limited partnership established under the laws of Ontario;
2. the general partner of the Applicant (the "General Partner") is an indirect wholly-owned subsidiary of Royal Bank of Canada, a chartered bank incorporated under Schedule 1 of the *Bank Act* (Canada) and a reporting issuer or the equivalent under the Legislation of the Jurisdictions; Royal Bank of Canada and its subsidiaries and affiliates are referred to collectively as the "Royal Bank Financial Group";
3. the Applicant is not a reporting issuer or the equivalent in any province in Canada;
4. Royal Bank Capital Partners, the private equity financing division of the Royal Bank of Canada, has established the Applicant to provide directors, officers and senior management employees of Royal Bank Financial Group (together, "Employees") with an opportunity to participate in the investment portfolio of Royal Bank Capital Partners;

5. the Applicant will have the opportunity to co-invest with Royal Bank Capital Partners in all private equity investments made by Royal Bank Capital Partners during the fiscal year ended October 31, 2001; all investment decisions of the Applicant will be made by the General Partner;

6. the Applicant intends to offer the Interests to Employees and, at the discretion of the General Partner, corporations controlled by Employees ("Permitted Investors");

7. a Permitted Investor that is invited and agrees to participate in the Offering (a "Participant") must invest a minimum of \$10,000 in the Applicant, except as otherwise permitted by the General Partner;

8. all Permitted Investors will be able, on the basis of information furnished by the Applicant, and such Permitted Investor's relationship with Royal Bank Financial Group, to evaluate the risks and merits of an investment in the Interests;

9. each Participant will become a party to a limited partnership agreement (the "Partnership Agreement") providing for restrictions on transfer of Interests; Interests will only be transferable upon the consent of the General Partner and only to another Permitted Investor or a Permitted Investor's family trust or spouse (a "Permitted Transferee"); in the event a Participant's employment with the Royal Bank Financial Group is terminated, his or her Interests (or Interests held by the Participant's Permitted Transferee) may be purchased by the General Partner within 120 days after the date of termination of the Participant's employment; transfers to a Permitted Transferee and by a Participant or its Permitted Transferee to the General Partner are referred to as "Permitted Trades";

10. each Participant will be provided with unaudited semi-annual financial statements of the Applicant within 60 days after the end of the first six month period of each fiscal year of the Applicant and audited annual financial statements within 140 days after the end of each fiscal year;

11. the Applicant will have an initial term of seven years, subject to the right of the General Partner to extend such term for up to an additional three years to allow for an orderly termination and liquidation of the Applicant's investments;

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 by the Decision Makers under the Legislation is that:

1. a trade in the Interests by the Applicant to a Permitted Investor under the Offering shall not be subject to the Registration and Prospectus Requirements provided that:

(a) the Applicant is not a reporting issuer anywhere in Canada at the time of the trade;

(b) the Interests of the Applicant are subject to restrictions on transfer contained in the Partnership Agreement, as described in paragraph 9 above;

(c) following the trade, the total number of holders of Interests is not more than 50 persons, exclusive of Permitted Investors and their Permitted Transferees; and

(d) the Applicant has not, at the time of the trade, distributed any securities (including Interests) to the public;

(the "Exemption Conditions");

2. any trade in Interests that have been acquired under this Decision shall not be subject to the Registration Requirement provided that the Exemption Conditions are satisfied; and

3. any trade in Interests that have been acquired under this Decision shall be deemed to be a distribution or, where applicable, a primary distribution to the public, unless:

(a) the trade is a Permitted Trade; and

(b) the Exemption Conditions are satisfied.

DATED February 20, 2001.

"Brenda Leong"

Brenda Leong

Director

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – relief from the prospectus and registration requirements to permit a Partnership to issue Interests in the Partnership provided that: (a) the Partnership is not a reporting issuer or the equivalent; (b) the Interests are subject to restrictions on transfer; (c) the total number of holders of Interests is not more than 50 persons exclusive of employees of the bank and its affiliates; and (d) the Partnership has not distribute any securities to the public

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, ss. 34(1)(a), 48, 61 and 76