

IN THE MATTER
OF THE SECURITIES LEGISLATION OF
EACH OF THE PROVINCES AND TERRITORIES OF CANADA

AND

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

AND

IN THE MATTER OF SARA LEE CORPORATION

AND

IN THE MATTER OF COACH, INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the Provinces and Territories of Canada (collectively, the "Jurisdictions") has received an application from Sara Lee Corporation ("Sara Lee") and Coach, Inc. ("Coach" and, together with Sara Lee, the "Filers") for:

1. a decision under the securities legislation of Ontario, Quebec and British Columbia (the "Issuer Bid Requirements Jurisdictions") that the requirements contained in such legislation relating to delivery of an offer and issuer bid circular and any notices of change or variation thereto, minimum deposit periods and withdrawal rights, take-up and payment for securities tendered to an issuer bid, disclosure, restrictions upon purchases of securities, financing, identical consideration and collateral benefits (the "Issuer Bid Requirements") shall not apply to a exchange issuer bid (the "Issuer Bid") proposed by Sara Lee; and

2. a decision under the securities legislation of each of the Jurisdictions (the "Legislation") that the requirements contained in the Legislation to be registered to trade in a security and to qualify a prospectus in respect of the distribution or primary distribution to the public of a security (the "Registration and Prospectus Requirements") shall not apply to any trade of common shares of Coach ("Coach Shares") by Sara Lee to its shareholders (the "Sara Lee Shareholders") pursuant to the Issuer Bid, or pursuant to any pro rata distribution of any remaining Coach Shares held by Sara Lee following the completion of the Issuer Bid (the "Spin Off"), subject to certain conditions;

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

1. Sara Lee is a corporation incorporated under the laws of the State of Maryland having its head office in Chicago, Illinois.
2. The authorized capital of Sara Lee consists of 1.2 billion common shares ("Sara Lee Shares"), of which approximately 827 million Sara Lee Shares were issued and outstanding as of December 30, 2000, and 13.5 million preferred shares, of which approximately 3.4 million shares were issued and outstanding as of December 30, 2000.
3. The Sara Lee Shares are listed and traded on the New York Stock Exchange (the "NYSE"),
4. Sara Lee is not a reporting issuer or its equivalent in any of the Jurisdictions and has no present intention of becoming a reporting issuer or its equivalent in any of the Jurisdictions.
5. As at January 10, 2001, there were approximately 1,074 Sara Lee Shareholders resident in Canada (the "Canadian Shareholders"), owning approximately 705,841 Sara Lee Shares (or approximately .0847% of the issued and outstanding Sara Lee Shares). As at January 10, 2001, there were approximately 386 Canadian Shareholders resident in Ontario, 538 Canadian Shareholders resident in Quebec, 63 Canadian Shareholders resident in British Columbia, and fewer than 50 Canadian Shareholders resident in each of the other Jurisdictions.
6. Coach is a corporation incorporated under the laws of the State of Maryland having its head office in New York, New York.
7. The authorized capital of Coach consists of 100 million Coach Shares, of which approximately 43.5 million Coach Shares were issued and outstanding as of December 30, 2000, and 25 million preferred shares, none of which were issued and outstanding as of December 30, 2000.
8. The Coach Shares are listed and traded on the NYSE.
9. Coach is not a reporting issuer or its equivalent in any of the Jurisdictions and has no present intention of becoming a reporting issuer or its equivalent in ally of the Jurisdictions.
10. Sara Lee owns approximately 80.5% of the issued and outstanding Coach Shares.
11. Under the Issuer Bid, Sara Lee proposes to offer all the Sara Lee Shareholders, including the Canadian Shareholders, the opportunity to exchange Sara Lee Shares for Coach Shares at an exchange ratio that will, as of the date the Issuer Bid commences, constitute a premium to the market value of the tendered Sara Lee Shares.
12. The Sara Lee Shareholders will have the option of tendering all, some or none of their Sara Lee Shares to the Issuer Bid.
13. In the event that the Issuer Bid is oversubscribed, the number of Sara Lee Shares accepted by Sara Lee from each Sara Lee Shareholder who has validly tendered Sara Lee Shares to the Issuer

Bid will be reduced on a pro rata basis (except for certain odd lot holders, who will not be subject to proration).

14. If the Issuer Bid is not fully subscribed but the conditions of the bid are satisfied or waived, then Sara Lee will accept all of the Sara Lee Shares that are validly tendered to the Issuer Bid and, thereafter, distribute its remaining Coach Shares to the Sara Lee Shareholders on a pro rata basis pursuant to the Spin Off.

15. The Issuer Bid and the Spin Off (if any) will be made in compliance with the Securities Act of 1933 (United States) (the "1933 Act"), the Securities Exchange Act of 1934 (United States) (the "1934 Act") and the rules of the U.S. Securities and Exchange Commission pursuant to the 1933 Act and the 1934 Act (collectively, the "Applicable U.S. Securities Laws").

16. All material relating to the Issuer Bid and any amendment thereto, including the offering circular-prospectus, that is sent by or on behalf of Sara Lee to the Sara Lee Shareholders resident in the United States (the "U.S. Shareholders") also will be delivered concurrently to all Canadian Shareholders and filed with each of the Decision Makers.

17. The Coach Shares to be distributed pursuant to the Issuer Bid and the Spin Off (if any) have been approved for listing on the NYSE and it is expected that any resale of the Coach Shares will be effected through the facilities of that exchange,

18. Following the completion of the Issuer Bid, it is estimated that there will be approximately 1,000 holders of Coach Shares resident in Canada, owning approximately 500,000 Coach Shares (or approximately 1.15% of the issued and outstanding Coach Shares).

19. Holders of Coach Shares resident in the Jurisdictions will receive the same continuous disclosure materials furnished to holders of Coach Shares resident in the United States.

20. Sara Lee cannot rely upon the de minimus exemption from the Issuer Bid Requirements under the securities legislation of the Issuer Bid Requirements Jurisdictions because in each of those jurisdictions there are more than 50 Canadian Shareholders.

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 in the Issuer Bid Requirements Jurisdictions under the Legislation of such Jurisdictions is that the Issuer Bid shall be exempt from the Issuer Bid Requirements of the Legislation of such Jurisdictions, provided that:

- (a) the Issuer Bid is made in compliance with the requirements or Applicable U.S. Securities Laws; and

(b) all material related to the Issuer Bid and any amendment thereto that is sent by or on behalf of Sara Lee to U.S. Shareholders is also delivered to Canadian Shareholders whose last address, as shown on the books of Sara Lee, is in the Issuer Bid Requirements Jurisdictions and such material is filed with each of the Decision Makers in the Issuer Bid Requirements Jurisdictions; and

THE DECISION of the Decision Makers in each of the Jurisdictions under the Legislation of such Jurisdictions is that the distribution of Coach Shares pursuant to the Issuer Bid and the Spin Off (if any) shall be exempt from the Registration and Prospectus Requirements of the Legislation of such Jurisdictions, provided that the first trade in the Coach Shares acquired pursuant to the Issuer Bid and the Spin Off (if any) shall be deemed to be a distribution or primary distribution to the public unless such trade is executed through the facilities of a stock exchange outside of Canada in accordance with the rules of such exchange.

DATED this "19th" day of "February", 2001.

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Relief from issuer bid requirements in connection with securities exchange issuer bid - Parent distributing shares of its subsidiary - Bid made in compliance with U.S. securities laws - Neither parent nor subsidiary is a reporting issuer in any Canadian jurisdiction - Issuer has over 50 shareholders in the Jurisdiction, holding fewer than 1% of outstanding shares

Distribution of shares of subsidiary pursuant to the issuer bid or subsequent spin off not subject to prospectus qualification or dealer registration requirements - First trade deemed to be a distribution unless executed through the facilities of an exchange outside of Canada

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 1(1)(c), 25, 53, 74(1), 95, 96, 97, 98, 100, 104(2)(c).