

August 4, 2006

**IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA,  
ONTARIO, QUEBEC, NEW BRUNSWICK, NUNAVUT, NORTHWEST TERRITORIES,  
YUKON, PRINCE EDWARD ISLAND,  
NOVA SCOTIA AND NEWFOUNDLAND  
(the "Jurisdictions")**

**AND**

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

**AND**

**IN THE MATTER OF SARA LEE CORPORATION  
(the "Filer")**

**MRRS DECISION DOCUMENT**

**Background**

The local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the "Legislation") for an exemption from the dealer registration requirements and the prospectus requirements (respectively the "Prospectus Requirements" and the "Registration Requirements") as defined in National Instrument 14-101 Definitions contained in the Legislation. Specifically, the Filer requests that the Prospectus Requirements and the Registration Requirements shall not apply to the proposed issuance of securities of Hanesbrands (defined below) to holders of common stock of the Filer resident in Canada (the "Canadian Shareholders") as part of the Spin-Off (as defined below) (the "Requested Relief").

Under the Mutual Reliance Review System for Exemptive Relief Applications:

- (a) the Ontario Securities Commission is the principal regulator for this application, and;
- (b) this MRRS decision document evidences the decision of each Decision Maker.

**Interpretation**

Defined terms contained in National Instrument 14-101 have the same meaning in this decision unless they are defined in this decision.

## Representations

This decision is based on the following facts represented by the Filer:

1. Filer is a publicly traded Maryland corporation that is a global manufacturer of brand-name products throughout the world. Its principal executive offices are located in Chicago, Illinois.
2. The Filer is not a reporting issuer under the securities laws of any province or territory of Canada and has no intention of ever becoming a reporting issuer under the securities laws of any province or territory of Canada.
3. The shares of the Filer are listed on the New York Stock Exchange (the "NYSE") and are not listed on any Canadian stock exchange.
4. As of May 13, 2006 the Filer had 1,016 holders of record of common stock resident in Canada (377 in Ontario, 473 in Quebec, 35 in Alberta, 73 in British Columbia, 13 in Manitoba, 13 in Nova Scotia, 10 in New Brunswick, 12 in Saskatchewan, 7 in Newfoundland and 2 in Prince Edward Island), which constitute approximately 1.24% of the approximately 82,175 holders of record of common stock of the Filer worldwide. On that date, Canadian Shareholders collectively held 444,778.648 shares of common stock of the Filer, which constitute approximately 0.058% of the estimated total number of the Filer's outstanding shares of approximately 760,136,000. As such, the proportion of common stock of the Filer held by Canadian Shareholders is *de minimis*.
5. The Filer has represented that, as of September 22, 2005, based on the number of proxy materials mailed for the 2005 annual meeting of shareholders, there are approximately 1,455 beneficial shareholders in Canada, which also demonstrates that the number of Canadian resident beneficial shareholders of common stock of the Filer is *de minimis*.
6. Subject to obtaining necessary approvals, in or around August 2006, the Filer will split itself into two independent, publicly-traded companies through a tax neutral spin-off transaction (the "Spin-Off"). The Spin-Off, which is being reviewed by the United States Securities and Exchange Commission (the "SEC"), consists of the following steps:
  - (a) The Filer will transfer substantially all of its assets, liabilities and operations of its Branded Apparel Americas/Asia business into an independent company. The new entity is called Hanesbrands Inc. ("Hanesbrands") and is incorporated under the laws of Maryland.
  - (b) The Filer will distribute by dividend to each of its shareholders one share of Hanesbrands common stock for a specified number of shares of Filer common stock held by such shareholder (with the ratio to be obtained shortly before the dividend is declared).
  - (c) The Filer's shareholders will not be required to pay for the Hanesbrands common stock received in the distribution, or to surrender or exchange the Filer's

securities to receive Hanesbrands common stock or to take any other action in connection with the distribution.

7. After the Spin-Off, the Filer will continue to be listed and traded on the NYSE. Hanesbrands has been cleared to file a listing application with the NYSE and expects to apply for listing before the Spin-Off is complete.

8. Neither the Filer nor Hanesbrands intends to list its shares on any stock exchange in Canada. Hanesbrands does not currently intend to become a reporting issuer in any province or territory in Canada.

9. The dividend and Spin-Off will be effected in compliance with Maryland law and the transaction will be reviewed by the SEC.

10. Because the Spin-Off of Hanesbrands will be by way of dividend to the Filer's shareholders, no shareholder approval of the proposed transaction is required under Maryland law.

11. All materials relating to the Spin-Off and the dividend sent by or on behalf of the Filer or Hanesbrands in the United States will be sent concurrently to the Canadian Shareholders and a copy thereof will be filed with each of the local securities regulators in each of the provinces and territories of Canada.

12. Following the Spin-Off, the Filer will send concurrently to the Canadian Shareholders, the same disclosure materials that it sends to holders of the Filer and Hanesbrands shares with addresses, as shown on its books to be, in the United States.

13. The Canadian Shareholders who receive Hanesbrands shares as a dividend pursuant to the Spin-Off will have the benefit of the same rights and remedies in respect of the disclosure documentation received in connection with the dividend and Spin-Off that are available under the laws of the United States to Hanesbrands shareholders with addresses in the United States.

14. The proposed distribution of Hanesbrands common stock to the Canadian Shareholders pursuant to the Spin-Off would be exempt from the Prospectus and Registration Requirements pursuant to 2.31(2) and (3) of National Instrument 45-106 Prospectus and Distribution Exemptions but for the fact that Hanesbrands is not a reporting issuer or equivalent under the Legislation.

## **Decision**

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make this decision has been met.

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that the first trade of Hanesbrands shares acquired under this Decision in a Jurisdiction shall be deemed to be a distribution or primary distribution to the public under the Legislation of

such Jurisdiction unless the conditions in section 2.6 or 2.14(1) of National Instrument 45-102 – Resale of Securities are satisfied.

"Carol S. Perry"  
Commissioner  
Ontario Securities Commission

"Paul K. Bates"  
Commissioner  
Ontario Securities Commission