

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

AND

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

AND

IN THE MATTER OF SHAW COMMUNICATIONS INC.

AND

MOFFAT COMMUNICATIONS LIMITED

MRRS DECISION DOCUMENT

1. WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia and Newfoundland (the "Jurisdictions") have received an application from Shaw Communications Inc. ("Shaw") and 911264 Alberta Ltd. ("Bidco", and together with Shaw, the "Offeror") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the requirement under the Legislation that an offeror making a take-over bid must offer consideration for the securities deposited under the bid that is at least equal to and in the same form as the highest consideration paid in a transaction that took place within the 90-day period immediately preceding the bid and that was not generally offered to all holders (the "Pre-Bid Integration Rule"), shall not apply to the offer (the "Offer") by the Offeror to acquire all of the issued and outstanding common shares (the "Moffat Shares") of Moffat Communications Limited ("Moffat") in respect of the Prior Transaction (defined below);

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

3. AND WHEREAS the Offeror has represented to the Decision Makers that:

3.1 Shaw is incorporated under the laws of Alberta and its head office is located in Calgary;

3.2 Shaw is a reporting issuer or the equivalent in the Jurisdictions and is not in default of any requirement of the Legislation;

3.3 the authorized share capital of Shaw consists of an unlimited number of Class A participating shares ("Shaw Class A Shares"), an unlimited number of Shaw Class B Non-Voting Shares (the "Shaw Non-Voting Shares"), an unlimited number of Class I preferred shares, issuable in series, and an unlimited number of Class 2 preferred shares, issuable in series. As at December 6, 2000, there were issued and outstanding 11,419,972 Shaw Class A Shares, 194,231,342 Shaw Non-Voting Shares and no preferred shares;

3.4 the Shaw Non-Voting Shares are listed and posted for trading on The Toronto Stock Exchange (the "TSE") and the New York Stock Exchange (the "NYSE");

3.5 Bidco is an indirect wholly-owned subsidiary of Shaw incorporated under the laws of Alberta. It has not carried on any business other than in respect of the Offer;

3.6 Moffat is incorporated under the laws of Canada;

3.7 Moffat is a reporting issuer or the equivalent in the Jurisdictions and is not in default of any of the requirements of the Legislation;

3.8 the authorized capital of Moffat consists of an unlimited number of Moffat Shares, As at November 30, 2000, 38,689,520 Moffat Shares were issued and outstanding. In addition to the foregoing, as at November 30, 2000, up to 323,000 Moffat Shares may be issued pursuant to outstanding stock option entitlements issued under Moffat's stock option plan;

3.9 the Moffat Shares are listed and posted for trading on the TSE;

3.10 on November 1, 2000, Shaw acquired 1,258,312 (approximately 3.3%) of the Moffat Shares in a private transaction at a price of \$27.20 cash per Moffat Share (the "Prior Transaction");

3.11 on December 6, 2000, Shaw entered into a lock-up agreement (the "Lock-Up Agreement") with Randall L. Moffat and his holding company, 177139 Canada Limited (together, the "Sellers"), pursuant to which Shaw agreed to make, together with Bidco, and the Sellers irrevocably agreed to tender 20,185,725 Moffat Shares to the Offer;

3.12 under the Offer, the Offeror will offer to purchase any and all of the Moffat Shares not currently owned by Shaw and its subsidiaries;

3.13 as consideration for each Moffat Share to be taken up pursuant to the Offer, the Offeror will offer, at the option of the holders of Moffat Shares, either (i) \$35.00 cash Or (ii) \$0.05 Plus 1.0508 Shaw Non-Voting Shares having a combined value of \$35.00, subject to proration in accordance with the following cash and share limits. The maximum amount of cash payable by the Offeror

pursuant to the Offer shall not exceed \$400 million (approximately 35% of the total consideration payable by the Offeror under the Offer) and the maximum amount of Shaw Non-voting Shares issuable under the Offer is 23,007,941 (approximately 65% of the total consideration payable by the Offeror under the Offer);

3.14 the \$35.00 price offered under the Offer represents a 27% premium to the volume weighted average trading price of the Moffat Shares on the TSE for the 30 trading days prior to the announcement of the Offer on December 7, 2000;

3.15 the consideration to be received by holders of Moffat Shares pursuant to the Offer, including those holders who will receive all or a substantial portion of their consideration in Shaw Non-Voting Shares, represents a significant premium over the consideration paid by Shaw to those shareholders who sold Moffat Shares at \$27.20 cash per share pursuant to the Prior Transaction, and Shaw has received an opinion from its financial advisors to that effect;

4. AND WHEREAS pursuant to the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

5. 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;

6. THE DECISION of the Decision Makers under the Legislation is that the Offeror is exempt from the Pre-Bid Integration Rule with respect to the Prior Transaction in connection with the Offer.

DATED at Edmonton, Alberta this "5<sup>th</sup>" day of "January", 2001.

Eric T. Spink, Vice-Chair    Thomas G. Cooke, Q.C., Member

#### Headnote

Mutual Reliance Review System for Exemptive Relief Applications - take-over bid exempted from requirement in legislation that consideration offered under bid must be at least equal to and in the same form as Consideration offered in any purchase not generally available and made within the 90-day period immediately preceding the take-over bid

Applicable Alberta Statutory Provisions

Securities Act, S.A., 198 1, c.S-6. 1, as amended, ss. 134,1(2) and 144(2)(c)