

IN THE MATTER OF THE SECURITIES LEGISLATION
OF BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA,
NEW BRUNSWICK, PRINCE EDWARD ISLAND, NOVA SCOTIA,
NEWFOUNDLAND, THE YUKON TERRITORY, THE NORTHWEST
TERRITORIES AND THE NUNAVUT TERRITORY

AND

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

AND

IN THE MATTER OF WEYERHAEUSER COMPANY

AND

IN THE MATTER OF WEYERHAEUSER HOLDINGS LIMITED

AND

WEYERHAEUSER COMPANY LIMITED

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Prince Edward Island, Nova Scotia, Newfoundland, the Yukon Territory, the Northwest Territories and Nunavut (collectively, the "Jurisdictions") has received an application from Weyerhaeuser Company ("Weyerhaeuser"), Weyerhaeuser Holdings Limited ("Holdings") and Weyerhaeuser Company Limited ("Exchangeco") (collectively, the "Filer") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that:

1. the requirements contained in the Legislation to be registered to trade in a security and to file a preliminary prospectus and a prospectus and receive receipts therefor prior to distributing a security (the "Registration and Prospectus Requirements") shall not apply to certain trades of securities in connection with the proposed merger (the "Merger") of Weyerhaeuser and MacMillan Bloedel Limited ("MB"), to be effected by way of an arrangement (the "Arrangement") under section 192 of the *Canada Business Corporations Act* (the "CBCA");
2. the requirements contained in the Legislation to issue a press release and file a report regarding material changes (the "Material Change Reporting Requirements"), to file and deliver interim and annual financial statements (the "Financial Statement Requirements"), and to file an information circular (the "Proxy Requirements") and, where applicable, to file an annual information form (including management's discussion and analysis of the financial condition and

results of operation of Amalco, as defined below) (the "AIF Requirements") shall not apply to Amalco; and

3. the requirement contained in the Legislation for an insider of a reporting issuer to file reports disclosing the insiders direct or indirect beneficial ownership of, or control or direction over, securities of the reporting issuer (the "Insider Reporting Requirement") shall not apply to each insider of Amalco and its successors;

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

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

1. Weyerhaeuser is incorporated under the laws of the State of Washington, has its head office in the State of Washington, and is not a reporting issuer or the equivalent under the Legislation, but is subject to the reporting requirements of the United States Securities *Exchange Act of 1934*;

2. the authorized capital of Weyerhaeuser consists of 7,000,000 shares of undesignated preferred stock, U.S.\$ 1.00 par value per share, issuable in series, 40,000,000 shares of undesignated preference stock, U.S.\$1.00 par value per share, issuable in series, and 400,000,000 common shares (the "Weyerhaeuser Common Shares"), of which 200,605,977 Weyerhaeuser Common Shares and no preferred or preference shares were issued and outstanding as of April 30, 1999;

3. the common shares of Weyerhaeuser are listed on the New York (the "NYSE"), Chicago and Pacific stock exchanges;

4. Holdings is incorporated under the British Columbia *Company Act*, is not, and does not intend to become a reporting issuer or the equivalent under the Legislation;

5. the authorized capital of Holdings consists of 1,000,000 common shares; all of the issued and outstanding common shares of Holdings are owned, and upon completion of the Arrangement, will be owned by Weyerhaeuser; Holdings was incorporated in order to hold all of the common shares of Exchangeco and to hold the various call rights related to the exchangeable non-voting shares of Exchangeco (the "Exchangeable Shares") which are described below;

6. Exchangeco is incorporated under the British Columbia *Company Act* and is not a reporting issuer or the equivalent under the Legislation; Exchangeco's only material assets upon completion of the Arrangement will be the issued and outstanding MB Common Shares;

7. at the time of sending the Circular (defined below), the authorized share capital of Exchangeco consisted of 1,000,000 common shares, an unlimited number of Exchangeable Shares and 100 non-voting preferred shares; upon completion of the Arrangement, all of the outstanding common shares will be held by Holdings, all of the outstanding preferred shares will be held by an arm's length person for United States tax reasons and all of the outstanding Exchangeable Shares will be held by certain MB Shareholders (defined below) who receive Exchangeable

Shares in exchange for their MB Common Shares and MB Warrants (defined below) under the Arrangement;

8. MB is incorporated under the CBCA, has its head office in Vancouver, British Columbia, is a reporting issuer or the equivalent under the Legislation and to the best of the Filer's knowledge is not in default of any requirement of the Legislation;

9. the authorized capital of MB consists of an unlimited number of Class B preferred shares, issuable in series, and an unlimited number of common shares (the "MB Common Shares"), of which 972,369 and 1,554,200 Class B preferred shares, Series 8 and 10 respectively, and 120,296,710 MB Common Shares were issued and outstanding as of June 11, 1999;

10. as of June 11, 1999, MB had outstanding \$149,943,000 in principal amount of debentures (the "Debentures") convertible at the holder's option into MB Common Shares at a conversion price of \$28.625 per MB Common Share or, at MB's option, redeemable for cash at any time, and had outstanding bearer warrants (the "MB Warrants") entitling the holders thereof to acquire for no consideration 552 MB Common Shares in the aggregate;

11. as of June 11, 1999, MB had outstanding options (the "MB Options") under its senior management stock option plan permitting the holders thereof to purchase 5,443,133 MB Common Shares in the aggregate, phantom stock options representing the functional equivalent of 2,023,731 MB Common Shares and target stock, units representing the functional equivalent of 1,664,191 MB Common Shares;

12. the MB Common Shares are listed on the TSE, the Montreal Exchange and the Vancouver Stock Exchange and are quoted on the NASDAQ National Market System;

13. Weyerhaeuser, MB and Exchangeco have entered into an amended and restated merger agreement made as of June 20, 1999 (the "Merger Agreement"); the Merger will be effected by way of the Arrangement, pursuant to which Weyerhaeuser, through Exchangeco and Holdings, will own all of the issued and outstanding MB Common Shares;

14. on the closing date of the Arrangement (i) the issued and outstanding approximately 970,000 and approximately 1,540,000 MB Class B preferred shares, Series 8 and 10 respectively, will be redeemed in accordance with their terms, and (ii) MB and Exchangeco will be amalgamated (the "Amalgamation") pursuant to the provisions of the CBCA to form an amalgamated corporation ("Amalco");

15. upon completion of the Arrangement and the Amalgamation, Amalco will become a reporting issuer in each of the provinces of Canada by virtue of the provisions of the Legislation;

16. the required approval of the holders of the MB Common Shares, MB Options and MB Warrants (collectively, the "MB Shareholders") to the Arrangement will be obtained at a meeting of the MB Shareholders (the "Meeting") in accordance with the provisions of the interim order (the "Interim Order") of the Supreme Court of British Columbia issued on September 23, 1999; each holder of MB Common Shares will be entitled to one vote for each MB Common Share

held, each holder of MB Options will be entitled to one vote for each MB Common Share such holder would have received on a valid exercise of MB Options and each holder of MB Warrants will be entitled to one vote for each MB Common Share such holder would have received on a valid exercise of MB Warrants;

17. in connection with the Meeting, MB sent to the holders of the MB Common Shares and MB Options a management proxy circular (the "Circular"); the Circular contains prospectus level disclosure of the business and affairs of Weyerhaeuser and MB and a detailed description of the Arrangement; the Circular was prepared in conformity with the provisions of the CBCA, the Interim Order and the Legislation;

18. under the Arrangement, each registered holder of MB Common Shares ("MB Registered Shareholders") who is a resident of Canada (other than a holder that exercises its right of dissent and Weyerhaeuser and its affiliates) will be entitled to elect to receive, at its option, 0.28 Exchangeable Shares or 0.28 Weyerhaeuser Common Shares for each MB Common Share held together with a cash payment representing any fractional interests; each MB Registered Shareholder who is not a resident of Canada (other than a holder that exercises its right of dissent and Weyerhaeuser and its affiliates) will not be entitled to elect to receive Exchangeable Shares and will receive 0.28 Weyerhaeuser Common Shares for each MB Common Share held together with a cash payment representing any fractional interests;

19. holders of the MB Warrants will receive 0.28 Exchangeable Shares for each MB Common Share otherwise receivable by such holder; no consideration is payable upon this deemed exercise of the MB Warrants; under the Arrangement, holders of MB Options will become entitled to exercise such options to purchase that number of Weyerhaeuser Common Shares equal to the number of MB Common Shares subject to such MB Options multiplied by 0.28 (the "Replacement Options");

20. no certificates representing fractional Exchangeable Shares or fractional Weyerhaeuser Common Shares will be delivered in exchange for MB Common Shares pursuant to the Arrangement; in lieu of any such fractional shares, each holder of MB Common Shares who is otherwise entitled to a fractional interest in an Exchangeable Share or a Weyerhaeuser Common Share will receive a cash payment from the depository equal to the product of such fractional interest and the 20 day average closing price of Weyerhaeuser Common Shares on the NYSE ending on the business day preceding the effective date of the Arrangement;

21. as a result of the Amalgamation, in accordance with the provisions of a trust indenture dated May 21, 1987 between The Royal Trust Company and MB, the Debentures will become convertible into Exchangeable Shares; pursuant to the Merger Agreement, Weyerhaeuser will fully and unconditionally guarantee the Debentures, as to principal and interest, together with any amounts that may be due under any provisions of the trust indenture, as amended, which will continue to govern the Debentures;

22. each holder of MB Common Shares who receives Weyerhaeuser Common Shares or Exchangeable Shares pursuant to the Arrangement will receive such shares from Exchangeco in exchange for MB Common Shares; as a result of the foregoing, upon the completion of the

Arrangement, all of the issued and outstanding MB Common Shares will be held by Weyerhaeuser and its affiliates;

23. the Exchangeable Shares, together with the Voting and Exchange Trust Agreement (the "Voting and Exchange Trust Agreement") to be entered into by Weyerhaeuser, Exchangeco and CIBC Mellon Trust Company (the "Trustee") contemporaneously with the closing of the Arrangement, the Support Agreement and the Exchangeable Share Provisions (each as defined below) will provide holders thereof with a security of a Canadian issuer having economic and voting rights which are equivalent, in all material respects, to those of a Weyerhaeuser Common Share; the Exchangeable Shares will be exchangeable by a holder thereof for Weyerhaeuser Common Shares on a share-for-share basis at any time at the option of such holder and will be required to be exchanged upon the occurrence of certain events; the Exchangeable Shares are subject to adjustment or modification in the event of a stock split or other change to the capital structure of Weyerhaeuser so as to maintain at all times the initial share-for-share relationship between the Exchangeable Shares and Weyerhaeuser Common Shares;

24. the provisions attaching to the Exchangeable Shares (the "Exchangeable Share Provisions") will provide that each Exchangeable Share will entitle the holder to dividends from Exchangeco payable at the same time as, and equivalent to, each dividend paid by Weyerhaeuser on a Weyerhaeuser Common Share;

25. the Exchangeable Shares will be non-voting (except as required by the Exchangeable Share Provisions or by applicable law) and will be retractable at the option of the holder at any time; subject to the overriding call right of Holdings, upon retraction the holder will be entitled to receive from Exchangeco for each Exchangeable Share retracted an amount equal to the current market price of a Weyerhaeuser Common Share, to be satisfied by the delivery of one Weyerhaeuser Common Share, together with, on the designated payment date therefor, all declared and unpaid dividends on each such retracted Exchangeable Share and to the extent not already paid by Exchangeco on a dividend payment date (the "Retraction Price"); upon being notified by Exchangeco of a proposed retraction of Exchangeable Shares, Holdings will have an overriding call right (the "Retraction Call Right") to purchase from the holder all of the Exchangeable Shares that are the subject of the retraction notice for a price per share equal to the Retraction Price;

26. subject to the overriding call right of Holdings, Exchangeco shall redeem all the Exchangeable Shares then outstanding on December 31, 2007 (the "Redemption Date"); in certain circumstances the board of directors of Exchangeco may accelerate the Redemption Date; upon such redemption, a holder will be entitled to receive from Exchangeco for each Exchangeable Share redeemed an amount equal to the current market price of a Weyerhaeuser Common Share, to be satisfied by the delivery of one Weyerhaeuser Common Share, together with, to the extent not already paid by Exchangeco on a dividend payment date, all declared and unpaid dividends on each such redeemed Exchangeable Share (the "Redemption Price"); upon being notified by Exchangeco of a proposed redemption of Exchangeable Shares, Holdings will have an overriding call right (the "Redemption Call Right") to purchase the outstanding Exchangeable Shares from their holders (other than Weyerhaeuser or its affiliates) for a price per share equal to the Redemption Price;

27. subject to the overriding call right of Holdings, on the liquidation, dissolution or winding-up of Exchangeco, a holder of Exchangeable Shares will be entitled to receive from Exchangeco for each Exchangeable Share held an amount equal to the current market price of a Weyerhaeuser Common Share, to be satisfied by delivery of one Weyerhaeuser Common Share, together with all declared and unpaid dividends on each such Exchangeable Share (the "Liquidation Price"); upon a proposed Liquidation, dissolution or winding-up of Exchangeco, Holdings will have an overriding call right (the "Liquidation Call Right") to purchase all of the outstanding Exchangeable Shares from the holders thereof (other than Weyerhaeuser or its affiliates) for a price per share equal to the Liquidation Price;

28. under the Voting and Exchange Trust Agreement, a Weyerhaeuser Special Voting Share will be issued to and held by the Trustee for the benefit of the holders of the Exchangeable Shares outstanding from time to time (other than Weyerhaeuser and its affiliates); the Weyerhaeuser Special Voting Share will carry a number of voting rights, exercisable at any meeting of the holders of Weyerhaeuser Common Shares, equal to the number of Exchangeable Shares outstanding from time to time that are not owned by Weyerhaeuser and its affiliates; the holders of the Weyerhaeuser Common Shares and the holder of the Weyerhaeuser Special Voting Share will vote together as a single class on all matters; holders of Exchangeable Shares will exercise the voting rights attached to the Weyerhaeuser Special Voting Share through the mechanism of the Voting and Exchange Trust Agreement; each voting right attached to the Weyerhaeuser Special Voting Share must be voted by the Trustee pursuant to the instructions of the holder of the related Exchangeable Share; in the absence of any such instructions from a holder, the Trustee will not be entitled to exercise any voting rights; upon the exchange of an Exchangeable Share for a Weyerhaeuser Common Share, the holder of the Exchangeable Share becomes a holder of a Weyerhaeuser Common Share and the right of such holder to exercise votes attached to the Weyerhaeuser Special Voting Share terminates; the Weyerhaeuser Special Voting Share will neither be entitled to dividends from Weyerhaeuser nor to participate on the dissolution of Weyerhaeuser; at such time as the Weyerhaeuser Special Voting Share has no votes attached to it because there are no Exchangeable Shares outstanding not owned by Weyerhaeuser or any affiliate, the Weyerhaeuser Special Voting Share will be cancelled;

29. under the Voting and Exchange Trust Agreement, Weyerhaeuser will grant to the Trustee for the benefit of the holders of the Exchangeable Shares a put right (the "Optional Exchange Right") exercisable upon the insolvency of Exchangeco, to require Weyerhaeuser to purchase from a holder of Exchangeable Shares all or any part of its Exchangeable Shares; the purchase price for each Exchangeable Share purchased by Weyerhaeuser will be an amount equal to the current market price of a Weyerhaeuser Common Share, to be satisfied by the delivery to the Trustee, on behalf of the holder, of one Weyerhaeuser Common Share, together with an additional amount equivalent to the full amount of all declared and unpaid dividends on such Exchangeable Share;

30. under the Voting and Exchange Trust Agreement, upon the liquidation, dissolution or winding-up of Weyerhaeuser, Weyerhaeuser will be required to purchase each outstanding Exchangeable Share, and each holder will be required to sell all of its Exchangeable Shares (such purchase and sale obligations are referred to as the "Automatic Exchange Right") for a purchase price per share equal to the current market price of a Weyerhaeuser Common Share, to be

satisfied by the delivery to the Trustee, on behalf of the holder, of Weyerhaeuser Common Share, together with an additional amount equivalent to the full amount of all declared and unpaid dividends on each such Exchangeable Share;

31. contemporaneously with the closing of the Arrangement, Weyerhaeuser, Exchangeco and Holdings will enter into a Support Agreement (the "Support Agreement") which will provide that Weyerhaeuser will not declare or pay any dividend on the Weyerhaeuser Common Shares unless Exchangeco simultaneously declares and pays an equivalent dividend on the Exchangeable Shares, and that Weyerhaeuser will ensure that Exchangeco and Holdings will be able to honour the redemption and retraction rights and dissolution entitlements that are attributes of the Exchangeable Shares under the Exchangeable Share Provisions and the related redemption, retraction and liquidation call rights described above;

32. the Support Agreement will also provide that, without the prior approval of the holders of the Exchangeable Shares, actions such as distributions of stock dividends, options, rights and warrants for the purchase of securities or other assets, subdivisions, reclassifications, reorganizations and other changes cannot be taken in respect of the Weyerhaeuser Common Shares generally without the same or an economically equivalent action being taken in respect of the Exchangeable Shares:

33. the steps under the Arrangement and the creation and exercise of the rights provided for in the Exchangeable Share Provisions, the Voting and Exchange Trust Agreement and the Support Agreement involve a number of trades or possible trades in securities (the "Trades");

34. the fundamental investment decision to be made by a MB Shareholder is made at the time of the Arrangement, when such holder votes in respect of the Arrangement; as a result of this decision, a holder (other than a holder who exercises its right of dissent) receives Exchangeable Shares or Weyerhaeuser Common Shares in exchange for its MB Common Shares; as the Exchangeable Shares will provide certain Canadian tax benefits to certain Canadian holders but will otherwise be the economic and voting equivalent in all material respects to the Weyerhaeuser Common Shares, all subsequent exchanges of Exchangeable Shares are in furtherance of the holder's initial investment decision;

35. if not for income tax considerations, Canadian holders of MB Common Shares could have received Weyerhaeuser Common Shares without the option of receiving Exchangeable Shares; the option in favour of certain holders of MB Common Shares to ultimately receive Exchangeable Shares under the Arrangement will enable certain holders of MB Common Shares to Canadian income tax and, provided the Exchangeable Shares are listed on a prescribed stock exchange in Canada, permit other holders to hold property that is not foreign property under the Canada *Income Tax Act*;

36. as a result of the economic and voting equivalency between the Exchangeable Shares and the Weyerhaeuser Common Shares, holders of Exchangeable Shares will have a participating interest determined by reference to Weyerhaeuser, rather than Exchangeco or its successors; accordingly, it is the information relating to Weyerhaeuser, not Exchangeco or its successors, that will be relevant to holders of both the Weyerhaeuser Common Shares and the Exchangeable

Shares; certain information required to be provided in respect of Exchangeco or its successors as a reporting issuer under the Legislation would not be relevant to the holders of Exchangeable Shares;

37. given that Amalco will be an operating company with outstanding Debentures that are guaranteed by Weyerhaeuser, Weyerhaeuser's financial statements will contain summarized disclosure with respect to Amalco which is prepared in accordance with the United States Securities and Exchange Commission's Accounting Bulletin 53, as applicable and amended from time to time ("SAB 53");

38. Weyerhaeuser will send concurrently to all holders of Weyerhaeuser Common Shares resident in Canada all disclosure material furnished to holders of Weyerhaeuser Common Shares resident in the United States including, without limitation, copies of its annual financial statements and all proxy solicitation materials; and

39. the Circular discloses that, in connection with the Arrangement, applications have been made for prospectus, registration and resale exemptions and exemptions from disclosure and insider reporting obligations; the Circular specifies the disclosure requirements from which Exchangeco has applied to be exempted and identifies the disclosure that will be made in substitution therefor if such exemptions are granted;

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:

1. the Registration and Prospectus Requirements shall not apply to the Trades;
2. a trade in Exchangeable Shares acquired under the Arrangement is deemed to be a distribution under the Legislation of the Jurisdiction in which the trade takes place (the "Applicable Legislation"), unless:
 - (a) Amalco is a reporting issuer or the equivalent under the Applicable Legislation;
 - (b) if the seller is an insider of Amalco, other than a director or senior officer of Amalco, the seller has complied with the Insider Reporting Requirement and filed all personal information forms that are required to be filed under the Applicable Legislation, as modified by this MRRS Decision Document;
 - (c) if the seller is a director or senior officer of Amalco, the seller has complied with the Insider Reporting Requirement and filed all personal information forms

that are required to be filed under the Applicable Legislation and Amalco has filed all records required to be filed under the Material Change Reporting Requirement, Insider Reporting Requirement and Financial Statement Requirements of the Applicable Legislation, as modified by this MRRS Decision Document;

(d) no unusual effort is made to prepare the market or create a demand for the Exchangeable Shares;

(e) no extraordinary commission or other consideration is paid in respect of the trade;

(f) the trade is not a distribution from the holdings of a person or company, or combination of persons and companies, acting in concert or by virtue of an agreement, arrangement, commitment or understanding, which holds in total a sufficient number of any voting securities of Weyerhaeuser to affect materially the control of Weyerhaeuser, and if a person or company or combination of persons and companies holds more than 20% of the voting rights attached to all outstanding voting securities of Weyerhaeuser, the person or company or combination of persons and companies is deemed, in the absence of evidence to the contrary, to hold a sufficient number of the voting rights to affect materially the control of Weyerhaeuser (and for the purposes of this MRRS Decision Document, Exchangeable Shares shall be counted as voting shares of Weyerhaeuser); and

3. the first trade in Weyerhaeuser Common Shares acquired under the Arrangement shall be a distribution under the Legislation unless such trade is executed through the facilities of a stock exchange, including Nasdaq, outside of Canada in accordance with all laws and rules applicable to the stock exchange; and

4. the Material Change Reporting Requirements, Financial Statement Requirements, Proxy Requirements, AIF Requirements (where applicable), and Insider Reporting Requirements shall not apply to Amalco or any insider of Amalco who is not otherwise an insider of Weyerhaeuser, provided that, at the time that any such requirement would otherwise apply:

(a) Weyerhaeuser sends to all holders of Exchangeable Shares and the Debentureholders resident in Canada all disclosure material furnished to holders of Weyerhaeuser Common Shares resident in the United States, including, without limitation, copies of its annual financial statements and all proxy solicitation materials;

(b) Weyerhaeuser files with the Decision Makers copies of all documents required to be filed by it with the United States Securities and Exchange Commission under the United States *Securities Exchange Act of 1934*, as amended, including, without limitation, copies of any Form 10-K, Form 10-Q, Form 8-K and proxy

statements prepared in connection with Weyerhaeuser's shareholders' meetings, and the financial statements described in (d) below;

(c) for so long as the Debentures are outstanding, Weyerhaeuser's financial statements contain summarized disclosure with respect to Amalco which is prepared in accordance with SAB 53, provided that Weyerhaeuser fully and unconditionally guarantees the Debentures, as to principal and interest, together with any amounts that may be due under any provisions of the trust indenture, as amended, under which the Debentures were issued;

(d) Weyerhaeuser complies with the requirements of the New York Stock Exchange in respect of making public disclosure of material information on a timely basis and forthwith issues in Canada and files with the Decision Makers any press release that discloses a material change in Weyerhaeuser's affairs; provided that Amalco complies with the requirements of the Legislation in respect of making public disclosure of material information on a timely basis in respect of material changes in the affairs of Amalco that would be material to holders of Exchangeable Shares or the Debentureholders but would not be material to holders of Weyerhaeuser Common Shares;

(e) prior to or coincident with the distribution of the Exchangeable Shares, Weyerhaeuser causes Amalco to provide to each recipient or proposed recipient of Exchangeable Shares resident in Canada a statement that, as a consequence of this Decision, Amalco and its insiders will be exempt from certain disclosure requirements in Canada applicable to reporting issuers and their insiders and specifying those requirements Amalco and its insiders have been exempted from and identifying the disclosure that will be made in substitution therefor (which may be satisfied by the inclusion of such a statement in the Circular);

(f) Weyerhaeuser includes in all future mailings of proxy solicitation materials to holders of Exchangeable Shares a clear and concise statement explaining the reason for the mailed material being solely in relation to Weyerhaeuser and not in relation to Amalco, such statement to include a reference to the economic equivalency between the Exchangeable Shares and the Weyerhaeuser Common Shares and the right to direct voting at Weyerhaeuser's stockholders' meetings pursuant to the Voting and Exchange Trust Agreement;

(g) Weyerhaeuser remains the direct or indirect beneficial owner of all the issued and outstanding common shares of Amalco; and

(h) except for securities issued to Weyerhaeuser or to wholly owned subsidiaries of Weyerhaeuser, Amalco has not issued any securities, other than the Exchangeable Shares and the Debentures and other securities of Amalco which are exempt from Registration and Prospectus Requirements.

DATED October "29", 1999.

Brent W. Aitken
Member

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - relief from the registration and prospectus requirements in respect of certain trades made in connection with a merger involving reporting Canadian issuer and US company, where exemptions not available for technical reasons, primarily due to use of exchangeable shares for tax reasons - issuer of exchangeable shares exempted from news release, proxy, insider reporting, financial statement, AIF requirements of the legislation - because issuer of exchangeable shares will have substantial operations and public debt outstanding that is guaranteed by its US parent company, US parent company must provide summary disclosure regarding exchangeable share issuer in accordance with SEC Accounting Bulletin 53

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, ss. 34(l)(a), 45(2)(9), 48, 61, 74(2)(8), 76, 85., 87, 91, 119

Securities Rules, R.B.C. Reg. 194/97, ss. 144, 145, 149, 184(2)