

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

AND

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

AND

IN THE MATTER OF
CAP GEMINI S.A. AND THE ERNST & YOUNG GROUP

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, Newfoundland and New Brunswick (the "Jurisdictions") have received a joint application from Cap Gemini SA. ("Cap Gemini") and Ernst & Young Management Consultants ("EYMC"), Ernst & Young Consulting Services Inc., Ernst & Young LLP (Canada), Ernst & Young Group Partnership, Ernst & Young Enterprises Inc. and Clarkson Gordon Services Ltd. (hereinafter collectively referred to as the "E&Y Canadian Entities") (hereinafter Cap Gemini and the E&Y Canadian Entities collectively referred to as the "Filers") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the registration and prospectus requirements and the requirements under the Legislation applicable to issuer bids (the "Issuer Bid Requirements") shall not apply to trades in Cap Gemini securities as described hereafter;

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 as follows:

1. Cap Gemini is a société anonyme created under *French Companies Act of July 24, 1966* out of the merger, in 1996, of three information technology (IT) services and consulting companies.
2. Cap Gemini is not and has no intention either of becoming a reporting issuer in any province or territory of Canada or listing and posting for trading the Ordinary Shares (as hereinafter defined) on a recognized Canadian stock exchange.
3. Cap Gemini's Ordinary Shares are traded on the First Market of the Paris Stock Exchange under SICOVAM code 12533. They have also been included in the CAC 40 index since

February 13, 1998 and are also included in the new Dow Jones STOXX and Dow Jones Euro STOXX European indexes.

4. Of the E&Y Canadian Entities, EYMC, Ernst & Young LLP (Canada) and E&Y Group Partnership are partnerships governed by the laws of Ontario; and Ernst & Young Consulting Services Inc., Ernst & Young Enterprises Inc. and Clarkson Gordon Services Ltd. are corporations governed by the laws of Ontario.

5. None of the entities comprising the E&Y Canadian Entities is a reporting issuer in any province or territory of Canada.

6. With respect to the proposed acquisition of the Canadian consulting business of the E&Y Canadian Entities by Cap Gemini (directly or through a wholly-owned subsidiary thereof to be incorporated ("Gemini Acquisition Co.)) (the "Acquisition"), a Canadian Joinder Agreement was executed on February 28, 2000 among Cap Gemini, the E&Y Canadian Entities and each Adhering Partner (as hereinafter defined) (the "Canadian Joinder Agreement").

7. As required, partners holding more than two-thirds in capital of all the partners of EYMC, Ernst & Young LLP (Canada) and Ernst & Young US LLP approved the Acquisition and more than 75% by headcount of the Consulting Partners (as hereinafter defined) separately approved the Acquisition. A special shareholder meeting of Cap Gemini to approve the acquisition by Cap Gemini of the world-wide consulting business of the E&Y Group and the issuance of ordinary shares of Cap Gemini (the "Ordinary Shares") in connection with such acquisition is anticipated to be held on or about May 23, 2000.

8. In connection with the closing of the Acquisition (the "Closing"), the following principal transactions have occurred or will occur:

(a) The E&Y Canadian Entities formed a New Brunswick corporation on February 25, 2000 called 511340 N.B. Inc. ("Newco") as a wholly-owned subsidiary of EYMC.

(b) Newco will, prior to the Closing, acquire the consulting business carried on by the Consulting Partners (as defined hereafter) of EYMC (including the assets related thereto owned by the E&Y Canadian Entities). As a result of these transactions, Newco will own the various assets of, and employ the people carrying on, the consulting business in Canada.

(c) At closing, EYMC will transfer to Cap Gemini or Gemini Acquisition Co. 100% of the issued and outstanding shares in the capital of Newco. In consideration therefor, Cap Gemini will issue (directly, or through Gemini Acquisition Co.) a certain number of Ordinary Shares to EYMC, which number represents less than 2% of the total number of outstanding Ordinary Shares.

(d) EYMC will direct Cap Gemini or Gemini Acquisition Co. to deliver to each Adhering Partner (*i.e.*, partner of EYMC engaged in the consulting business

("Consulting Partner") or partner of EYMC not engaged in the consulting business ("Non-Consulting Partner") who, at the Closing Date (immediately after the special shareholder meeting of Cap Gemini), has become a party to the Canadian Joinder Agreement pursuant to a Partner Transaction Agreement (as hereinafter defined)), a number of Ordinary Shares to be distributed to each of them as a partnership distribution. The number of Ordinary Shares to be distributed to each Adhering Partner will be determined by the EYMC Chair/CEO Committee. Such Ordinary Shares will be directed to the Adhering Partners by transfer to one or more custodial accounts formed to hold Ordinary Shares (a "Custodial Arrangement") on behalf of such Adhering Partner in order to secure each such Adhering Partner's non-competition and related obligations to Newco and Cap Gemini. The Non-Consulting Partners and Consulting Partners will be allocated Ordinary Shares. The balance of Ordinary Shares will be kept by EYMC and will be used for transaction costs and retirement funding.

(e) In addition, a number of Ordinary Shares payable to the US partners in connection with the acquisition by Cap Gemini of the consulting business carried on in the United States by the E&Y Group equal to approximately 5% of the number of Ordinary Shares payable to EYMC will be remitted by Ernst & Young LLP (US) to EYMC.

(f) Each person who will receive Ordinary Shares pursuant to the Canadian Joinder Agreement will accept such shares subject to the relevant restrictions and other provisions specified in respect thereof in the following agreements to be executed on the Closing Date:

(i) the Global Shareholders Agreement of Cap Gemini to be executed by each person who will receive Ordinary Shares (the "Shareholders Agreement") (the Shareholders Agreement will not be signed by the Consulting Partners);

(ii) the Partner Transaction Agreement to be executed by each Adhering Partner (the "Partner Transaction Agreement") whereby he or she agrees to the essential terms of the transactions contemplated in the Canadian Joinder Agreement;

(iii) the Canadian Joinder Agreement;

(iv) the custodial documents establishing the Custodial Arrangement(s) by which Ordinary Shares will be held in custodial accounts for defined periods of time to secure certain obligations of the Adhering Partners (see below);

(v) the CG Agreement to be executed by the Adhering Partners which are Consulting Partners, which agreement will set forth the terms of employment of such Consulting Partners with Newco.

(g) The Ordinary Shares will be sold in a series of secondary offerings on the Paris Stock Exchange in accordance with the terms of the Shareholders Agreement. The current schedule of such secondary offerings is as follows:

Date	Percentage of Ordinary Shares issued in connection with the acquisition by Cap Gemini of the consulting business of the E&Y Group
Closing Date or shortly thereafter	25 to 50%
April 1, 2001	Amount by which first offering is less than 50%
Second anniversary of Closing Date	20%
Fourth anniversary of Closing Date	20%
Fourth anniversary of Closing Date + 300 days	10%

The above percentages are based on overall Ordinary Shares paid in the several different countries where Cap Gemini will acquire the consulting business of the E&Y Group, but it is expected that the Canadian percentages will be the same as the overall percentages. None of these underwritten secondary offerings will be in Canada.

(h) Cap Gemini and the E&Y Canadian Entities have agreed in the Canadian Joinder Agreement that, as a condition to closing, the Ordinary Shares shall have been admitted to trading on the Primary market (Premier Marché of the Paris Stock Exchange) and to the transaction of SICOVAM (Société Interprofessionnelle pour la compensation des valeurs mobilières).

(i) For a period of five years following the Closing, the Ordinary Shares issued to Adhering Partners will remain subject to forfeiture provisions. In particular, Adhering Partners who breach certain covenants in favour of Newco and/or Cap Gemini will have portions of their Ordinary Shares (or proceeds from the sales thereof pursuant to the secondary offerings) forfeited back to Newco and/or Cap Gemini based on agreed percentages over the five year period, depending on whether the Adhering Partner is a Non-Consulting Partner or a Consulting Partner, as described below. The Ordinary Shares forfeited to Newco will be

reallocated by Newco to other employees of Newco, as determined by a committee of three persons.

(j) In addition, Non-Consulting Partners may forfeit Ordinary Shares to EYMC in the event they breach particular covenants to the E&Y Canadian Entities.

(k) As part of the transactions contemplated in the Canadian Joinder Agreement, Cap Gemini will set aside a small number of Ordinary Shares for the employees of Newco, which Ordinary Shares either will be issued to a trust on behalf of the employees of Newco or will be reserved for future issuance for the benefit of such employees.

(l) In addition, EYMC has agreed that a small number of Ordinary Shares of the total number of Ordinary Shares payable to EYMC will also be set aside for the benefit of employees of Newco.

(m) The Ordinary Shares to be distributed pursuant to paragraphs (k) and (l) above will be transferred to a trust for future distribution to certain key employees of Newco over a period of about three years on a discretionary basis based on continuing employment, performance, future potential and length of service.

9. As mentioned above, once issued, the Ordinary Shares will be sold in a series of secondary offerings on the Paris Stock Exchange. Accordingly, it is reasonable to expect that there will be no flow-back of the Ordinary Shares in Canada.

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively the "Decision");

AND WHEREAS the Decision Makers are 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 under the Legislation is that the trades in Ordinary Shares described in paragraph 8 above are exempt from the prospectus and registration requirements, provided that any subsequent trade in such Ordinary Shares shall be subject to the prospectus and registration requirements unless:

(a) an exemption from such requirements is available under the applicable Legislation, or

(b) such subsequent trade takes place over a stock exchange or market outside of Canada;

THE FURTHER DECISION of the Decision Makers is that any forfeitures of Ordinary Shares as described in subparagraph 8(i) above are exempt from the Issuer Bid Requirements.

DATED May 23, 2000.

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Relief from registration and prospectus requirements granted in connection with acquisition of consulting business of a number of non-reporting companies and partnerships by a foreign non-reporting issuer. Shares issued in consideration for consulting business to be held by custodian and sold on foreign stock exchange over five years. Relief from issuer bid requirements granted in connection with potential forfeiture of shares back to foreign issuer or its affiliates, pursuant to terms of various acquisition agreements.

Applicable Ontario Statute

Securities Act, R.S.O. 1990, c.s.5, as am., ss. 25, 53, 74, 95-100 and 104(2)(c).

Applicable Ontario Rules

Rule 45-501 - Exempt Distributions

Rule 45-503 - Trades to Employees, Executives and Consultants

Rule 72-501 - Prospectus Exemption For First Trade Over a Market Outside Ontario.