

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

AND

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

AND

IN THE MATTER OF  
CARDINAL HEALTH, INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (collectively, the "Decision Makers") in each of British Columbia, Alberta, Manitoba, Ontario, Nova Scotia and Newfoundland (collectively, the "Jurisdictions") has received an application from Cardinal Health, Inc. ("Cardinal") for a decision under the applicable securities legislation of the Jurisdictions (collectively, the "Legislation") that the requirements contained in the Legislation to be registered to trade in a security (the "Registration Requirement") and to file and obtain a receipt for a preliminary prospectus and a prospectus in respect of such security (the "Prospectus Requirement") shall not apply to trades in securities of Cardinal under the Cardinal Health, Inc. Employee Stock Purchase Plan, as amended from time to time (the "Plan");

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Nova Scotia Securities Commission is the principal regulator for this application;

AND WHEREAS Cardinal has represented to the Decision Makers that:

1. Cardinal is a corporation incorporated under the laws of the State of Ohio, United States of America;
2. Cardinal is not, and has no present intention of becoming, a reporting issuer or the equivalent under the securities legislation of any jurisdiction in Canada;
3. Cardinal is a reporting company with the United States Securities and Exchange Commission, is subject to the reporting requirements of the *Securities Act of 1933*, as amended, and is not in default of its reporting obligations under that Act;
4. Pursuant to Cardinal's articles of incorporation, Cardinal is authorized to issue up to 750,000,000 common shares ("Common Shares"). As of December 1, 2000, approximately 279,329,887 Common Shares were issued and outstanding. Such articles also authorize Cardinal

to issue up to 5,000,000 Class B common shares, none of which are outstanding, and 500,000 non-voting preferred shares, none of which are outstanding;

5. under the Plan, eligible employees of Cardinal and Cardinal's affiliates (the "Participants") are able to purchase Common Shares at a discount from the fair market value;

6. the Common Shares distributed to Participants pursuant to the Plan may be newly issued shares, shares from treasury and shares purchased on the open market;

7. under the Plan, an account is set up for each Participant and each Participant may elect to have such account registered in the Participant's name or in the name of the Participant and his or her spouse jointly (the "Joint Holder") (collectively, the Participants or the Participants and Joint Holders are referred to as the "Purchasers");

8. Common Shares purchased under the Plan are allocated to the Purchasers' accounts according to the amount of funds contributed by the Participants through deductions from their payroll, with no funds being contributed by the Joint Holders;

9. as of December 1, 2000, there were approximately 150 employees of Cardinal and Cardinal's affiliates resident in the Jurisdictions eligible to participate in the Plan;

10. participation in the Plan is voluntary and Participants are not induced to participate in the Plan by expectation of employment or continued employment;

11. Cardinal will use an agent (the "Agent") to carry out certain administrative functions under the Plan; such functions may include purchasing Common Shares for distribution to the Purchasers' accounts, maintaining such accounts and selling Common Shares acquired under the Plan on behalf of the Purchasers;

12. the Agent will not offer any advice to the Purchasers regarding the decision to acquire, hold or sell the Common Shares under the Plan;

13. the Agent is not a registered dealer or equivalent under the applicable Legislation of any of the Jurisdictions. The Agent is and will be registered as a dealer or equivalent under the applicable securities legislation in the United States of America. References to the Agent may include a subsidiary of the Agent that is registered as a dealer or equivalent under the applicable securities legislation in the United States of America;

14. Participants resident in the Jurisdictions will be provided with a copy of the Plan and the disclosure material relating to the Plan that is provided to all other Participants and, upon becoming a shareholder of Cardinal, Purchasers resident in the Jurisdictions will be concurrently provided with the disclosure material relating to Cardinal that is provided to holders of Common Shares resident in the United States of America;

15. at the time of any issuance of Common Shares under the Plan, holders of Common Shares whose last address as shown on the books of Cardinal is in Canada do not hold more than 10% of

the total number of outstanding Common Shares and do not represent in number more than 10% of the total number of holders of Common Shares;

16. the Common Shares are not listed or posted for trading on any securities exchange or over-the-counter market in Canada but are listed and posted for trading on The New York Stock Exchange;

17. all sales of Common Shares carried out by the Agent on behalf of the Purchasers pursuant to the Plan will be made through The New York Stock Exchange in accordance with all laws and rules of such exchange;

18. there is no present or anticipated future market in Canada for the Common Shares;

19. the Legislation of certain of the Jurisdictions does not contain exemptions from the Prospectus Requirement and/or Registration Requirement for trades in Common Shares to or by the Purchasers carried out through the Agent; and

20. where the Agent sells Common Shares on behalf of Purchasers pursuant to the Plan, the Purchasers and the Agent are not able to rely on the exemption from the Registration Requirement contained in the Legislation for trades made by a person acting solely through a registered dealer under the Legislation.

AND WHEREAS under the System this MRRS Decision Document evidences the decision of each of the Decision Makers (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 under the Legislation is that:

(a) the Registration Requirement and the Prospectus Requirement shall not apply to the issuance by Cardinal of Common Shares to the Purchasers under the Plan, whether such issuance is made directly to the Purchasers or to the Agent on behalf of the Purchasers, provided that the first trade in Common Shares acquired under this Decision is deemed to be a distribution or a primary distribution to the public under the Legislation unless such trade is executed through the facilities of a stock exchange or organized market outside of Canada and in accordance with all the laws and rules applicable to such exchange or market; and

(b) the Registration Requirement shall not apply to the Agent in connection with trades in Common Shares under the Plan or to the first trade in Common Shares acquired by Purchasers under the Plan made through the Agent.

Dated this 2<sup>nd</sup> day of February, 2001.

"Robert B. MacLellan"  
Robert B. MacLellan