

IN THE MATTER OF

THE SECURITIES LEGISLATION OF BRITISH COLUMBIA, ALBERTA,
SASKATCHEWAN, MANITOBA, ONTARIO, NEW BRUNSWICK, PRINCE EDWARD
ISLAND, NOVA SCOTIA, AND NEWFOUNDLAND

AND

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

AND

IN THE MATTER OF THE CIT GROUP, INC.,
3026192 NOVA SCOTIA COMPANY AND CIT EXCHANGE CO INC.

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Prince Edward Island, Newfoundland and Labrador and Nova Scotia (collectively, the "Jurisdictions") has received an application from The CIT Group, Inc. ("CIT"), 3026192 Nova Scotia Company ("Newco") and CIT Exchangeco Inc. ("Exchangeco") (collectively, the "Filer") for a decision pursuant to the securities legislation, regulations and directions of the Jurisdictions (the "Legislation") that:

- (i) the requirements contained in the Legislation to be registered to trade in a security ("Registration Requirements"), to file a preliminary prospectus and a prospectus and receive receipts therefor (the "Prospectus Requirements") (collectively, the "Registration and Prospectus Requirements") shall not apply to certain trades in securities to be made in connection with a plan of arrangement (the "Arrangement") involving CIT, Newco, Exchangeco and Newcourt Credit Group Inc. ("Newcourt") and in connection with certain trades in securities made thereafter;
- (ii) the requirements contained in the Legislation with respect to Exchangeco, to issue a press release and file a report with certain of the Decision Makers upon the occurrence of a material change, file interim financial statements and audited annual financial statements with the Decision Makers and deliver such statements to the security holders of Exchangeco, file an information circular or make an annual filing with the Decision Makers in lieu of filing an information circular, file an annual information form and provide management's discussion and analysis of financial condition and results of operations (the "Continuous Disclosure Requirements") shall not apply to Exchangeco;

(iii) the requirements contained in the Legislation to comply with insider reporting requirements (the "Insider Reporting Requirements") shall not apply to any "insider" (as such term is defined in the Legislation) of Exchangeco, subject to certain conditions as described below; and

(iv) the first trades in CIT Common Shares and Exchangeable Shares (as defined below) issuable pursuant to the Arrangement are not subject to the Prospectus Requirements, subject to certain terms and conditions described below.

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the Principal Jurisdiction for this application;

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

1. Newcourt is a corporation incorporated under the laws of Ontario, is a reporting issuer or the equivalent thereof in each Jurisdiction and is not in default of any requirements of the Legislation. The registered office of Newcourt is in Toronto, Ontario.
2. The common shares of Newcourt (the "Newcourt Common Shares") are listed on The New York Stock Exchange (the "NYSE"), The Toronto Stock Exchange (the "TSE") and the Montreal Exchange.
3. CIT is a corporation incorporated under the laws of the State of Delaware, is subject to the reporting requirements of the United States Securities Exchange Act of 1934 (the "Exchange Act") and is not currently a reporting issuer or the equivalent thereof in any of the Jurisdictions.
4. The shares of class A common stock of CIT (the "CIT Common Shares") are listed on the NYSE.
5. Newco is a newly established unlimited liability company incorporated under the laws of Nova Scotia, is a wholly-owned subsidiary of CIT, and is not a reporting issuer or the equivalent thereof in any of the Jurisdictions.
6. Exchangeco is a newly established company incorporated under the laws of Nova Scotia, all of the common shares of which are held by Newco. Exchangeco is not a reporting issuer or the equivalent thereof in any of the Jurisdictions.
7. The authorized capital of Newcourt consists of an unlimited number of Newcourt Common Shares, an unlimited number of special shares and an unlimited number of class A preference shares, of which 148,508,329 Newcourt Common Shares, nil special shares and nil class A preference shares were issued and outstanding as of September 9, 1999. As of September 9, 1999, 6,644,322 Newcourt Common Shares had been reserved for issuance pursuant to options outstanding under Newcourt's option plan and 22,273,249 Newcourt Common Shares had been reserved for issuance upon the exercise of an option (the "Option") granted to CIT pursuant to a

stock option agreement between Newcourt and CIT dated as of August 5, 1999. The Option was granted to CIT as a condition of its entering into the Agreement (as herein defined).

8. The authorized capital of CIT consists of 700,000,000 CIT Common Shares, 510,000,000 shares of class B common stock and 50,000,000 shares of preferred stock, of which 161,604,093 CIT Common Shares, nil shares of class B common stock and nil shares of preferred stock were issued and outstanding as of August 5, 1999, and 1,580,480 shares of CIT Common Shares were held in CIT's treasury.

9. The authorized capital of Exchangeco consists of: (a) one million common shares (the "Exchangeco Common Shares"); (b) 15 billion non-cumulative, non-voting class A preference shares (the "Exchangeco Class A Preferred Shares") which are to be redeemable and retractable at any time for Cdn \$1.00 per share; (c) one billion cumulative non-voting class B preference shares (the "Exchangeco Class B Preferred Shares") which are to be redeemable after seven years at the option of Exchangeco for Cdn \$1.00 per share; and (d) one billion non-voting exchangeable shares, which are to be retractable at any time and redeemable after five years at the option of Exchangeco for one CIT Common Share per Exchangeable Share (the "Exchangeable Shares").

10. Exchangeco may redeem all of the outstanding Exchangeco Class A Preferred Shares held by Newco. In addition, twenty percent of the outstanding Exchangeco Class B Preferred Shares will be sold to an arm's-length third party, while eighty percent of the outstanding Exchangeco Class B Preferred Shares will be retained by Newco.

11. The Newcourt Common Shares will be delisted upon completion of the transactions in connection with the Arrangement (collectively, the "Transaction").

12. The TSE has conditionally approved the listing of the CIT Common Shares and the Exchangeable Shares, and the NYSE has conditionally approved the listing of the additional CIT Common Shares issuable in connection with the Arrangement.

13. Upon completion of the Transaction, each of CIT and Exchangeco will become or will be deemed to be a reporting issuer in the Jurisdictions, or, where CIT will not become a reporting issuer or equivalent, CIT will comply with the Continuous Disclosure Requirements of the applicable Jurisdiction.

14. CIT and Newcourt have entered into an amended and restated agreement and plan of reorganization dated as of August 5, 1999 (the "Agreement") pursuant to which CIT and Newcourt will combine by way of an arrangement (the "Arrangement") under Section 182 of the *Business Corporations Act* (Ontario) (the "OBCA"). As a result of the Arrangement, CIT will control, directly or indirectly, all of the outstanding Newcourt Common Shares.

15. Under an interim order (the "Interim Order") of the Superior Court of Justice (Ontario) (the "Court") to be obtained by Newcourt on October 27, 1999, the Arrangement must be approved by two-thirds of the votes cast by the holders of the Newcourt Common Shares present in person

or by proxy at a special meeting called for the purpose of considering, and, if deemed appropriate, approving the Arrangement (the "Newcourt Meeting") and by the Court.

15. Under the Agreement, the issuance of CIT Common Shares pursuant to the Arrangement must be approved by a majority of the votes cast by the holders of CIT Common Shares present in person or by proxy at a meeting called, *inter alia*, for considering, and, if deemed appropriate, approving the Arrangement (the "CIT Meeting", and, together with the Newcourt Meeting, the "Meetings").

16. The Meetings will be held on October 26, 1999.

17. A management information circular and proxy statement (the "Proxy Circular") has been mailed to all shareholders of CIT and of Newcourt in connection with the Meetings, containing, among other things, prospectus-level disclosure of the business and affairs of each of Newcourt, CIT and Exchangeco and of the particulars of the Arrangement and Agreement, with a copy thereof having been filed with the Decision Makers.

18. The Proxy Circular has been prepared in conformity with the provisions of the United States Securities and Exchange Commission and of the Legislation and the applicable policy statements of the Jurisdictions relating to information circulars.

19. Under the Arrangement, a Newcourt Shareholder (other than a shareholder who validly exercises his or its right of dissent in accordance with the Interim Order) who is a resident of Canada or which is a partnership, one or more of the members of which is a resident of Canada (an "Eligible Electing Holder") will receive, at its election, either 0.70 of an Exchangeable Share and applicable ancillary rights (being the "Voting Rights", "Automatic Voting Right" and "Exchange Right" as hereinafter defined) or 0.70 CIT Common Shares in exchange for each of such holder's Newcourt Common Shares (such fraction hereinafter referred to as the "Exchange Ratio"), in each case subject to a potential downward adjustment pursuant to the Agreement. A Newcourt shareholder (other than a shareholder who validly exercises his or its right of dissent in accordance with the Interim Order) who is not an Eligible Electing Holder or who is an Eligible Electing Holder but fails to make a valid election for Exchangeable Shares, will receive 0.70 CIT Common Shares in exchange for each of such holder's Newcourt Common Shares, subject to such potential downward adjustment in accordance with the terms of the Agreement. As a result of the Arrangement, CIT will hold, indirectly, through Newco and Exchangeco, all of the voting shares of Newcourt.

20. No fractional Exchangeable Shares or fractional CIT Common Shares will be delivered in exchange for the Newcourt Common Shares pursuant to the Arrangement. In lieu of any such fractional shares, each holder of Newcourt Common Share who is otherwise entitled to a fractional interest in an Exchangeable Share or a CIT Common Share will receive a cash payment, without interest, equal to such holder's pro rata portion of the net proceeds received upon the sale of the whole shares representing the aggregate of all such fractional interests in Exchangeable Shares or CIT Common Shares, as the case may be, to which all such holders would be otherwise entitled.

21. Under the Arrangement, each option granted by Newcourt (a "Newcourt Option") to purchase Newcourt Common Shares which is outstanding and unexercised immediately prior to the effective time of the Arrangement under Newcourt's stock option plan shall be converted automatically into an option to purchase CIT Common Shares (each a "Transition Option") under the CIT transition option plan (the "CIT Transition Option Plan"). The number of CIT Common Shares to be subject to each Transition Option shall be equal to the product of the number of Newcourt Common Shares subject to the original Newcourt Option immediately prior to the effective time of the Arrangement and the Exchange Ratio (rounded down to a whole number of CIT Common Shares). The exercise price per share of CIT Common Shares under each Transition Option shall be equal to the exercise price per Newcourt Common Share under the original Newcourt Option immediately prior to the effective time of the Arrangement divided by the Exchange Ratio (rounded up to the nearest cent). The duration and other material terms of each Transition Option shall be the same as the original Newcourt Option immediately prior to the effective time of the Arrangement except as modified by the Arrangement.

22. The share provisions attaching to the Exchangeable Shares, together with the voting rights set out in the Voting and Exchange Trust Agreement (defined below), are structured so that holders of Exchangeable Shares will be entitled to dividend, liquidation and voting rights that are, as nearly as possible, functionally and economically equivalent to those of the CIT Common Shares. Holders of Exchangeable Shares will be entitled to vote with the holders of CIT Common Shares on all matters submitted to a vote thereof.

23. In order to provide the holders of the Exchangeable Shares with voting rights in CIT, CIT and Exchangeco will enter into a voting and exchange trust agreement (the "Voting and Exchange Trust Agreement") with a Canadian trust company (the "Trustee"). According to the terms of the Voting and Exchange Trust Agreement, CIT will issue a special voting share (the "Special Voting Share") to the Trustee for the benefit of the holders of the Exchangeable Shares and the Trustee will hold such share pursuant to the terms of the Voting and Exchange Trust Agreement. The Trustee will be entitled, at shareholder meetings of CIT at which holders of CIT Common Shares are entitled to vote and with respect to all written consents sought by CIT from its shareholders, to that number of votes equal to the number of Exchangeable Shares outstanding at such time (excluding those owned by CIT and any affiliate of CIT) to which such holder would be entitled had such holder exchanged its Exchangeable Shares for CIT Common Shares (the "Voting Rights"). These Voting Rights will be exercised by the Trustee upon receipt of instructions from the holders of the Exchangeable Shares (other than CIT or affiliates of CIT). In addition, pursuant to an exchangeable share support agreement (the "Exchangeable Share Support Agreement") to be entered into between CIT, Newco and Exchangeco, CIT will: (a) agree not to declare or pay any dividends on the CIT Common Shares unless, (i) Exchangeco simultaneously declares or pays, as the case may be, an equivalent dividend on the Exchangeable Shares, and (ii) Exchangeco shall have sufficient money or other assets or authorized but unissued securities available to enable the due declaration and due and punctual payment, in accordance with applicable law, of any dividend on the Exchangeable Shares; (b) take all such actions and do all such things that are reasonably necessary to enable and permit Exchangeco to pay and otherwise perform its obligations with respect to the satisfaction of the Liquidation Amount, the Retraction Price or the Redemption Price (as such terms are defined herein) in respect of each issued and outstanding Exchangeable Share upon the liquidation, dissolution or

winding-up of Exchangeco, the delivery of a retraction request by a holder of Exchangeable Shares or a redemption of Exchangeable Shares by Exchangeco; and (c) take all such actions and do all such things as are reasonably necessary or desirable to enable and permit Newco to perform its obligations arising from the exercise by it of the Liquidation Call Right, the Retraction Call Right and the Redemption Call Right (as such terms are defined herein) that are attributes of the Exchangeable Shares.

24. The share provisions attaching to the Exchangeable Shares, Exchangeco Class A Preferred Shares and Exchangeco Class B Preferred Shares shall include the following material attributes:

(a) except as required by applicable law and the provisions attaching to the Exchangeable Shares, the holders of Exchangeable Shares will not be permitted to vote at meetings of the shareholders of Exchangeco;

(b) holders of Exchangeable Shares will be entitled to receive, subject to applicable law and the prior rights of the Exchangeco Class B Preferred Shares, dividends: (i) in the case of a cash dividend declared on the CIT Common Shares, in an amount in cash for each Exchangeable Share equal to the cash dividend declared on each CIT Common Share, (ii) in the case of a stock dividend declared on the CIT Common Shares to be paid in CIT Common Shares, in such number of Exchangeable Shares for each Exchangeable Share as is equal to the number of shares of CIT Common Shares to be paid on each CIT Common Share, or (iii) in the case of a dividend declared on the CIT Common Shares in property other than cash or CIT Common Shares, in such type and amount of property as is the same as, or economically equivalent to, the type and amount of property declared as a dividend on each CIT Common Share. Cash dividends on the Exchangeable Shares are payable in U.S. dollars or, at the option of Exchangeco, the Canadian dollar equivalent thereof. The declaration date, record date and payment date for dividends on the Exchangeable Shares will be the same as the relevant date for the corresponding dividends on the CIT Common Shares;

(c) except as required by applicable law and the provisions attaching to the Exchangeco Class A Preferred Shares, holders of Exchangeco Class A Preferred Shares will not be permitted to vote at a meeting of the shareholders of Exchangeco. The holders of the Exchangeco Class A Preferred Shares will be entitled to receive a non-cumulative fixed dividend of four percent of the amount payable to them upon liquidation, dissolution or winding-up of Exchangeco, being \$1.00 per share less any amount of capital previously returned to them. The Exchangeco Class A Preferred Shares will not otherwise participate in a liquidation, dissolution or winding-up of Exchangeco. The Exchangeco Class A Preferred Shares will rank senior to the Exchangeco Common Shares and Exchangeable Shares and junior to the Exchangeco Class B Preferred Shares with respect to distributions in the event of the liquidation, dissolution or winding-up of Exchangeco; however, with respect to the payment of dividends, the Exchangeco Class A Preferred Shares will rank senior to the Exchangeco Common Shares but junior to the Exchangeable Shares and the Exchangeco Class

B Preferred Shares. The Exchangeco Class A Preferred Shares will be redeemable at the option of Exchangeco and retractable at the option of the holder thereof for the amount payable on liquidation, dissolution or winding-up, plus any declared but unpaid dividends thereon;

(d) except as required by applicable law and the provisions attaching to the Exchangeco Class B Preferred Shares, holders of Exchangeco Class B Preferred Shares will not be permitted to vote at meetings of shareholders of Exchangeco. Holders of the Exchangeco Class B Preferred Shares will be entitled to a cumulative fixed dividend of a certain percentage of the amount payable to them upon a liquidation, dissolution or winding-up of Exchangeco, being \$1.00 per share less any amount of capital previously returned to them. The Exchangeco Class B Preferred Shares will not otherwise participate in a liquidation, dissolution or winding-up of Exchangeco. The Exchangeco Class B Preferred Shares will rank senior to the Exchangeco Common Shares, Exchangeable Shares and the Exchangeco Class A Preferred Shares with respect to payment of dividends and distribution in the event of a liquidation, dissolution or winding-up of Exchangeco. The Exchangeco Class B Preferred Shares will be redeemable at the option of Exchangeco, seven years after the date of issue, for the amount payable on liquidation, dissolution or winding-up, plus any declared but unpaid dividends thereon;

(e) subject to the exercise by Newco of the Liquidation Call Right (as defined below), upon the liquidation, dissolution or winding-up of Exchangeco, a holder (other than a holder that is an affiliate of CIT) of Exchangeable Shares will be entitled to receive from Exchangeco for each such share, an amount (the "Liquidation Amount") equal to the current market price of a CIT Common Share on the last business day prior to the liquidation date, which will be satisfied by Exchangeco causing to be delivered to such holder one CIT Common Share for each Exchangeable Shares held. Notwithstanding the foregoing, upon any proposed liquidation, dissolution or winding-up of Exchangeco, Newco will have the overriding right (the "Liquidation Call Right") to purchase all but not less than all of the then outstanding Exchangeable Shares at a price per share equal to the Liquidation Amount (other than Exchangeable Shares held by affiliates of CIT);

(f) on any date on or after the date that is five years from the date of issue to be specified in the provisions attaching to the Exchangeable Shares (the "Redemption Date"), unless the Redemption Date is accelerated in accordance with the provisions attaching to the Exchangeable Shares, Exchangeco shall have the right, provided that Newco has not exercised the Redemption Call Right (as defined below) on the redemption date for the Exchangeable Shares (the "Redemption Date"), to redeem all but not less than all of the then outstanding Exchangeable Shares (other than Exchangeable Shares held by affiliates of CIT) (the "Redemption Right") by the payment of a price per share equal to the current market price of a CIT Common Share on the last business day prior to the redemption date (the "Redemption Price"), which amount will be satisfied by

Exchangeco causing to be delivered to each holder of Exchangeable Shares one CIT Common Share for each Exchangeable Share held by such holder. Notwithstanding the foregoing, Newco will have the overriding right (the "Redemption Call Right") to purchase from all but not less than all of the holders of Exchangeable Shares (other than any holder of Exchangeable Shares which is an affiliate of CIT) all but not less than all of the Exchangeable Shares held by each such holder on payment to each holder of an amount per Exchangeable Share (the "Redemption Call Purchase Price") equal to the current market price of a CIT Common Share on the last business day prior to the Redemption Date, which amount shall be satisfied by Newco causing to be delivered to such holder one CIT Common Share for each Exchangeable Share held by such holder;

(g) a holder of Exchangeable Shares will be entitled, subject to the exercise by Newco of the Retraction Call Right (as defined below) to require Exchangeco to redeem any or all of the Exchangeable Shares registered in the name of such holder (the "Retraction Right") for an amount per share equal to the current market price of a CIT Common Share on the last business day prior to the retraction date (the "Retraction Price"), which amount shall be satisfied by Exchangeco causing to be delivered to such holder one CIT Common Share for each Exchangeable Share surrendered by the holder for redemption, and ensuring that the full amount of all declared and unpaid dividends on any such Exchangeable Share held by such holder on any dividend record date which occurred prior to the retraction date is paid. Notwithstanding the foregoing, upon being notified by Exchangeco of a proposed retraction of Exchangeable Shares, Newco shall have the overriding right to purchase all but not less than all of the Exchangeable Shares subject to the retraction notice directly from the holder thereof (the "Retraction Call Right") for a purchase price per share equal to the Retraction Price;

(h) pursuant to the terms of the Exchangeable Share Support Agreement, in furtherance, *inter alia*, of the obligations of CIT described above, CIT shall issue and deliver or cause to be delivered to Exchangeco or Newco, as the case may be, the requisite number of CIT Common Shares to be received by, and issued to or to the order of, the former holders of the surrendered Exchangeable Shares, as Exchangeco or Newco, as the case may be, shall direct;

(i) pursuant to the terms of the Voting and Exchange Trust Agreement, CIT will grant to the Trustee for and on behalf of, and for the use and benefit of the holders of the Exchangeable Shares, a right (the "Exchange Right") exercisable in the event of the insolvency of Exchangeco (an "Exchangeco Insolvency Event"), to require CIT to purchase from each or any of the holders of Exchangeable Shares all or any part of the Exchangeable Shares held by the holder(s) thereof (other than from holders that are affiliates of CIT). The purchase price payable by CIT for each Exchangeable Share to be purchased by CIT under the Exchange Right shall be an amount per share equal to the current market price of a CIT Common Share on the last business day prior to the day of closing of the purchase and sale

of such Exchangeable Shares under the Exchange Right, which amount shall be satisfied by CIT causing to be sent to such holder one CIT Common Share for each Exchangeable Share held by such holder;

(j) in the event of the voluntary or involuntary liquidation, dissolution or other winding-up of CIT, the then outstanding Exchangeable Shares (other than Exchangeable Shares held by affiliates of CIT) will be automatically exchanged for CIT Common Shares on a one for one basis (the "Automatic Exchange Right"). To effect such Automatic Exchange Right, CIT shall purchase each Exchangeable Share then outstanding for a purchase price per share equal to the current market price of a CIT Common Share, which amount shall be satisfied by CIT issuing to the holders of the Exchangeable Shares one CIT Common Share for each Exchangeable Share held by such holders;

(k) if a holder of Exchangeable Shares gives notice of retraction, such holder will continue to be entitled to receive from Exchangeco, on the designated payment date, any declared but unpaid dividends on the Exchangeable Shares which are the subject of the notice of retraction and which shares were held by such holder on any dividend record date which occurs prior to the retraction date, provided that if and to the extent the dividend is not paid by Exchangeco on the designated payment date, such dividend, in respect of any shares purchased by Newco or CIT (as discussed above), will be paid on such date by Newco or by CIT, as the case may be, for and on behalf of Exchangeco;

(l) on the Redemption Date, a holder of Exchangeable Shares will continue to be entitled to receive from Exchangeco, on the designated payment date, any declared but unpaid dividends on such Exchangeable Shares held by such holder on any dividend record date which occurs prior to the Redemption Date, provided that if and to the extent the dividend is not paid by Exchangeco on the designated payment date, such dividend in respect of shares purchased by Exchangeco or Newco, as the case may be, will be paid on such date by Newco or CIT, for and on behalf of Exchangeco;

(m) upon the liquidation, dissolution or winding-up of Exchangeco or if there is an Exchangeco Insolvency Event, a holder of Exchangeable Shares will continue to be entitled to receive from Exchangeco, on the designated payment date, any declared but unpaid dividends on such Exchangeable Shares held by such holder on any dividend record date which occurs prior to the purchase by Newco under the Liquidation Call Right or by CIT by virtue of the Trustee's Exchange Right, provided that if and to the extent the dividend is not paid by Exchangeco on the designated payment date, such dividend in respect of shares purchased by Newco (by virtue of the Liquidation Call Right) or by CIT (pursuant to the Trustee's Exchange Right), will be paid on such date by Newco or by CIT, as the case may be, for and on behalf of Exchangeco;

(n) in the event of the voluntary or involuntary liquidation, dissolution or other winding-up of CIT, a holder of Exchangeable Shares will continue to be entitled to receive from Exchangeco, on the designated payment date, any declared but unpaid dividends on such Exchangeable Shares held by such holder on any dividend record date which occurs prior to the purchase of such Exchangeable Shares by CIT (under the Automatic Exchange Right), provided that if and to the extent the dividend is not paid by Exchangeco on the designated payment date, such dividend in respect of the Exchangeable Shares purchased by CIT (under the Automatic Exchange Right) will be paid on such date by CIT for and on behalf of Exchangeco.

25. The trades and distributions and potential trades and distributions of securities to which the Arrangement gives rise are as follows (the "Trades"):

- (a) the issuance and intra-group transfers of CIT Common Shares and related issuances of shares of CIT affiliates (including Exchangeco and Newco) in consideration therefor, all by and between CIT and its affiliates (including Exchangeco and Newco), to enable CIT, Newco and/or Exchangeco to deliver CIT Common Shares in connection with the Arrangement, the Voting and Exchange Trust Agreement and the Exchangeable Share Support Agreement;
- (b) the delivery of CIT Common Shares by Exchangeco to holders of Newcourt Common Shares and the transfer of Newcourt Common Shares by holders to Exchangeco as part of the Arrangement;
- (c) the issuance of Exchangeable Shares by Exchangeco upon exchange of Newcourt Common Shares where such election is made (as described at paragraph 17 above) pursuant to the Arrangement;
- (d) the trade by dissenting holders of Newcourt Common Shares through the exercise of dissent rights and the cancellation of Newcourt Common Shares;
- (e) the issuance and intra-group transfers of CIT Common Shares and related issuances of shares of CIT affiliates (including Exchangeco and Newco) in consideration therefor, all by and between CIT and its affiliates (including Exchangeco and Newco), to enable Exchangeco to deliver CIT Common Shares to holders of Exchangeable Shares upon the redemption of Exchangeable Shares, and the subsequent delivery thereof by Exchangeco upon such redemption;
- (f) the transfer of Exchangeable Shares by holders to Exchangeco upon the redemption of the Exchangeable Shares;
- (g) the issuance and intra-group transfers of CIT Common Shares and related issuances of shares of CIT affiliates (including Exchangeco and Newco) in consideration therefor, all by and between CIT and its affiliates (including Exchangeco and Newco), from time to time to enable Exchangeco to deliver CIT

Common Shares to a holder of Exchangeable Shares upon such holder's retraction of Exchangeable Shares, and the subsequent delivery thereof by Exchangeco upon such retraction;

(h) the transfer of Exchangeable Shares by holders to Exchangeco upon the retraction by holders of Exchangeable Shares;

(i) the issuance and intra-group transfers of CIT Common Shares and related issuances of shares of CIT affiliates (including Exchangeco and Newco) in consideration therefor, all by and between CIT and its affiliates (including Exchangeco and Newco), from time to time, to enable Newco to deliver CIT Common Shares to a holder of Exchangeable Shares in connection with Newco's exercise of the Retraction Call Right, and the subsequent delivery thereof by Newco upon such exercise of the Retraction Call Right;

(j) the transfer of Exchangeable Shares by holders to Newco exercising the Retraction Call Right;

(k) the issuance and intra-group transfers of CIT Common Shares and related issuances of shares of CIT affiliates (including Exchangeco and Newco) in consideration therefor, all by and between CIT and its affiliates (including Exchangeco and Newco), to enable Newco to deliver CIT Common Shares to holders of Exchangeable Shares in connection with Newco's exercise of the Redemption Call Right, and the subsequent delivery thereof by Newco upon such exercise of the Redemption Call Right;

(l) the transfer of Exchangeable Shares by holders to Newco upon Newco exercising the Redemption Right Call;

(m) the issuance and intra-group transfers of CIT Common Shares and related issuances of shares of CIT affiliates (including Exchangeco and Newco) in consideration therefor, all by and between CIT and its affiliates (including Exchangeco and Newco), to enable Exchangeco to deliver CIT Common Shares to holders of Exchangeable Shares on the liquidation, dissolution or winding-up of Exchangeco and the subsequent delivery thereof by Exchangeco upon such liquidation, dissolution or winding-up;

(n) the transfer of Exchangeable Shares by holders to Exchangeco upon the liquidation, dissolution or winding-up of Exchangeco;

(o) the issuance and intra-group transfers of CIT Common Shares and related issuances of shares of CIT affiliates (including Exchangeco and Newco) in consideration therefor, all by and between CIT and its affiliates (including Exchangeco and Newco) in consideration therefor, to enable Newco to deliver CIT Common Shares to holders of Exchangeable Shares in connection with

Newco's exercise of the Liquidation Call Right, and the subsequent delivery thereof by Newco upon such exercise of the Liquidation Call Right;

(p) the transfer of Exchangeable Shares by holders to Newco upon Newco exercising the Liquidation Call Right;

(q) the issuance and delivery by CIT of CIT Common Shares if it is required to take up Exchangeable Shares pursuant to the Exchange Right (including in the case where Exchangeco becomes insolvent) or the Automatic Exchange Right granted to holders of Exchangeable Shares;

(r) the creation of the Transition Options under the CIT Transition Option Plan;

(s) the issuance of the Transition Options to replace the outstanding options to acquire Newcourt Common Shares (which will be cancelled pursuant to the Arrangement);

(t) the issuance of CIT Common Shares upon the exercise of Transition Options ;

(u) the creation in favour of Newco of the Liquidation Call Right, Redemption Call Right and Retraction Call Right;

(v) the issuance of the Special Voting Share issued by CIT to the Trustee pursuant to the Voting and Exchange Trust Agreement;

(w) the creation and grant, pursuant to the Voting and Exchange Trust Agreement of the Exchange Right, the Automatic Exchange Rights and the Voting Rights;

(x) the issuance by Exchangeco or Newco to CIT of common shares pursuant to the Exchangeable Share Support Agreement;

(y) the granting of the Option by Newcourt to CIT pursuant to the Stock Option Agreement; and

(z) the issuance of Newcourt Common Shares upon the exercise of the Option.

26. As the Exchangeable Shares will entitle their holders to dividend, liquidation and voting rights that are, as nearly as possible, functionally and economically equivalent to those of CIT Common Shares, holders of Exchangeable Shares will have a participating interest determined by reference to CIT rather than Exchangeco. Accordingly, it is the information relating to CIT, not Exchangeco, that will be relevant to holders of the Exchangeable Shares. CIT will continue to file in each Jurisdiction copies of reports filed by it with the United States Securities and Exchange Commission and holders of Exchangeable Shares will concurrently receive the materials that are sent to holders of CIT Common Shares, including annual and interim financial statements of CIT and shareholder meeting materials. After the effective time of the

Arrangement, holders of Exchangeable Shares will receive, among other things, annual and interim financial statements of CIT in lieu of financial statements of Exchangeco.

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 Makers with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers pursuant to the Legislation is that:

A. The Registration and Prospectus Requirements shall not apply to any of the Trades made pursuant to the Agreement and/or the Arrangement;

B. The first trade in Exchangeable Shares or CIT Common Shares in a Jurisdiction, other than a trade that is otherwise exempt from the Registration and Prospectus Requirements or in respect of which the Registration and Prospectus Requirements are complied with, shall not be made unless:

(a) Exchangeco or CIT, as the case may be, is or is deemed to be a reporting issuer or the equivalent thereof under the Legislation, or, if not a reporting issuer or equivalent, CIT complies with the filing requirements set forth in paragraphs (a) through (e) of Section C of this Decision;

(b) if the seller is in a "special relationship" with or is an "insider" of Exchangeco, or CIT, as the case may be, as defined in the Legislation, the seller has reasonable grounds to believe that Exchangeco or CIT is not in default of any requirement of the Legislation;

(c) no unusual effort is made to prepare the market or to create a demand for the Exchangeable Shares or CIT Common Shares, as the case may be, and no extraordinary commission or consideration is paid in respect of such first trade;

(d) disclosure of the trade is made to the Decision Maker(s) (the Decision Makers confirming that the filing of the Proxy Circular with the Decision Makers constitutes disclosure of the trade); and

(e) such first trade is not made from the holdings of any person, company or combination of persons or companies holding a sufficient number of securities of CIT to affect materially the control of CIT but any holding of any person, company or combination of persons or companies holding more than twenty percent of the outstanding voting securities of CIT shall, in the absence of evidence to the contrary, be deemed to affect materially the control of CIT (and for this purpose the CIT Common Shares and the Exchangeable Shares are considered to be of the same class), unless:

(i) Exchangeco or CIT, as the case may be, is a reporting issuer or is deemed to be a reporting issuer or the equivalent thereof under the Legislation, or, if not a reporting issuer or equivalent, CIT complies with the filing requirements set forth in paragraphs (a) through (e) of Section C of this Decision, and is not in default of any requirement of the Legislation;

(ii) the seller files with the applicable Decision Maker(s) and any other stock exchange recognized by such Decision Maker(s) for this purpose on which the Exchangeable Shares or CIT Common Shares, as the case may be, are listed, at least seven days and not more than fourteen days prior to the first trade made to carry out the distribution;

(A) a notice of intention to sell in the form prescribed by the Legislation for control block distributions (the "Control Block Rules") disclosing particulars of the control position known to the seller, the number of Exchangeable Shares or CIT Common Shares to be sold, and the method of distribution; and

(B) a declaration signed by the seller as at a date not more than twenty-four hours prior to its filing and prepared and executed in accordance with the Control Block Rules and certified as follows:

"the seller for whose account the securities to which this certificate relates are to be sold hereby represents that the seller has no knowledge of any material change which has occurred in the affairs of the issuer of the securities which has not been generally disclosed and reported to the [name of securities regulatory authority in the Jurisdiction where the trade takes place], nor has the seller any knowledge of any other material adverse information in regard to the current and prospective operations of the issuer which have not been generally disclosed";

provided that the notice required to be filed under section (ii)(A) and the declaration required to be filed under section (ii)(B) shall be renewed and filed at the end of sixty days after the original date of filing and thereafter at the end of each twenty-eight day period so long as any of the Exchangeable

Shares or CIT Common Shares specified under the original notice have not been sold or until notice has been filed that the Exchangeable Shares or CIT Common Shares so specified or any part thereof are no longer for sale;

(iii) the seller files with the applicable Decision Maker(s) within three days after the completion of any such first trade, a report of the trade in the form prescribed by the Legislation;

(iv) no unusual effort is made to prepare the market or to create a demand for the Exchangeable Shares or CIT Common Shares, as the case may be, and no extraordinary commission or other consideration is paid in respect of such first trade; and

(v) in the case of a seller of Exchangeable Shares, the seller (or an affiliated entity) has held the Exchangeable Shares and/or Newcourt Common Shares in the aggregate for a period of at least one year provided that if:

1. the Legislation provides that, upon a seller to whom the Control Block Rules apply, acquiring additional securities of a class pursuant to certain prescribed exemptions from prospectus requirements under such legislation, all securities of such class are subject to a hold period commencing on the date the last security of the class was acquired under such prescribed exemptions, and

2. the seller acquires Exchangeable Shares or CIT Common Shares pursuant to any such prescribed exemptions,

all Exchangeable Shares held by the seller will be subject to a one year hold commencing on the date any Exchangeable Shares and/or CIT Common Shares are subsequently so acquired; and

(vi) in the case of a seller of CIT Common Shares acquired pursuant to the Arrangement, such seller (or an affiliated entity) has held Newcourt Common Shares, Exchangeable Shares (if applicable), and the CIT Common Shares in the aggregate for a period of at least one year provided that if:

1. the Legislation provides that, upon a seller to whom the Control Block Rules apply, acquiring additional securities of a class pursuant to certain prescribed exemptions from prospectus requirements under such legislation, all securities of such class are subject to a hold period commencing on the date of the last security of the class was acquired under such prescribed exemptions, and

2. the seller acquires Exchangeable Shares or CIT Common Shares pursuant to any such prescribed exemptions,

all CIT Common Shares held by the seller will be subject to a one year hold commencing on the date of any Exchangeable Shares and/or CIT Common Shares are subsequently so acquired.

C. The Continuous Disclosure Requirements shall not apply to Exchangeco, provided that:

(a) CIT shall file with each of the Decision Makers copies of all documents required to be filed by it with the United States Securities and Exchange Commission under the Exchange Act including, but not limited to, copies of any Form 10-K, Form 10-Q, Form 8-K and proxy statements prepared in connection with CIT's annual meetings, which documents will include financial statements prepared solely in accordance with United States generally accepted accounting principles;

(b) CIT shall comply with the requirements of the NYSE in respect of making public

disclosure of material information on a timely basis and forthwith issue in the Jurisdictions and file with the Decision Makers any press release that discloses a material change in CIT's affairs;

(c) CIT shall concurrently send to all holders of Exchangeable Shares resident in the Jurisdictions all disclosure material furnished to holders of CIT Common Shares, including, but not limited to, copies of its annual report and all proxy solicitation materials;

(d) Notwithstanding that the Continuous Disclosure Requirements shall not apply to Exchangeco, CIT shall cause Exchangeco to comply with the requirements of the Legislation to issue a press release and file a report with the Decision Makers upon the occurrence of a material change in the affairs of Exchangeco that is not a material change in the affairs of CIT;

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

(f) prior to or coincident with the distribution of the Exchangeable Shares, cause Exchangeco to provide to each recipient or proposed recipient of Exchangeable Shares resident in Canada a statement that, as a consequence of this Decision, Exchangeco and its insiders will be exempt from certain disclosure requirements in Canada applicable to reporting issuers and their insiders, and specifying those

requirements to Exchangeco and its insiders have been exempted from and identifying the disclosure that will be made in substitution thereof;

(g) for so long as Newcourt remains a reporting issuer or equivalent under the Legislation, it is not in default of any requirement of the Legislation;

(h) CIT remains the direct or indirect beneficial owner of all of the issued and outstanding Exchangeco Common Shares; and

(i) Exchangeco and Newco have not issued any securities to the public other than the Exchangeable Shares.

D. The Insider Reporting Requirements shall not apply to any insider of Exchangeco, provided that the conditions in Section B of this Decision are complied with.

DATED at Toronto on this day 1st of November, 1999.

Howard I. Wetston

Robert W. Korthals

THE FURTHER DECISION of the Decision Makers in Ontario and Saskatchewan is:

Provided that the conditions set out in Section C of this Decision have been complied with, staff of the Decision Makers in Ontario and Saskatchewan will not initiate any regulatory action by reason of Exchangeco not preparing and filing annual information forms (including management's discussion and analysis of the financial condition and results of operations) .

DATED at Toronto this 1st day of November, 1999.

Margo Paul

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 - reporting issuer history of Canadian issuer considered in calculating restrictions on resale of shares of Canadian reporting issuer and of shares of U.S. company that becomes a reporting issuer in Canada - time period control block holding shares of "target" Canadian reporting issuer pre-transaction considered in calculating 12 month hold period for resale from control block.

Continuous Disclosure - Canadian reporting issuer exempted from continuous disclosure requirements, subject to certain conditions. Disclosure required to be provided by these provisions would not be meaningful to shareholders.

Annual Information Form and Management's Discussion and Analysis of Financial Condition and Results of Operations - Waiver granted to Canadian reporting issuer from requirement to deliver AIF and MD&A.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 25, 53, 72(5), 74(1), 75, 77, 78, 79, 80(b)(iii), 81, 85, 86, 88(2), 121(2), 107, 108 and 109.

Applicable Ontario Rules

Rule 45-501 - *Exempt Distributions*, Sections 2.8 and 3.11

Applicable Ontario Policy

Policy 5.10 - *Annual Information Form and Management's Discussion and Analysis of Financial Condition and Results of Operations*