

IN THE MATTER OF  
THE CANADIAN SECURITIES LEGISLATION OF THE PROVINCES OF BRITISH  
COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, NEW  
BRUNSWICK, NOVA SCOTIA, PRINCE EDWARD ISLAND 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, CIT EXCHANGE CO INC.,  
TYCO ACQUISITION CORP. XIX (NV) AND TYCO INTERNATIONAL LTD.

MRRS DECISION DOCUMENT

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

(a) 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 upon the exchange of exchangeable shares ("Exchangeable Shares") in the capital of Exchangeco and the other trades contemplated by the agreement and plan of merger (the "Merger Agreement") dated as of March 12, 2001 between Tyco Acquisition and CIT pursuant to which CIT will merge (the "Merger") with and into Tyco Acquisition;

(b) the requirements contained in the Legislation with respect to Exchangeco, to issue a press release and file a report with certain Decision Makers upon the occurrence of a material change, file interim financial statements and audited 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 Obligations") shall not apply to Exchangeco;

(c) the requirements contained in the Legislation for an insider of a reporting issuer 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 described below; and

(d) the first trades in Tyco Common Shares (defined below) issuable pursuant to the Merger and upon the exchange of Exchangeable Shares are not subject to the Prospectus Requirements, subject to certain terms and conditions described below;

AND WHEREAS the Decision Makers of the Jurisdictions granted a decision (the "November Decision Document") on November 1, 1999 to CIT, Newco and Exchangeco in connection with the acquisition of CIT Financial Ltd. (formerly Newcourt Credit Group Inc.) by CIT pursuant to a plan of arrangement (the "Arrangement") and the Applicants have requested a decision pursuant to the Legislation that a certain portion of the November Decision Document be revoked in light of the relief requested in paragraphs (b) and (c) above;

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

AND WHEREAS CIT, Exchangeco, Newco, Tyco and Tyco Acquisition have represented to the Decision Makers as follows:

*CIT, Exchangeco, Newco and Newcourt*

1. 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 a reporting issuer or the equivalent thereof in each of the Jurisdictions, or, if not a reporting issuer or equivalent, CIT complies with the continuous and timely disclosure filing requirements set forth in the November Decision Document.
2. The CIT Common Stock is listed on the New York Stock Exchange (the "NYSE") and the Toronto Stock Exchange (the "TSE"). It is expected that upon completion of the Merger, CIT Common Stock will be delisted from these exchanges.
3. The authorized capital of CIT consists of 1,210,000,000 shares of CIT Common Stock and 50,000 shares of Preferred Stock, U.S.\$0.01 par value per share, of which one share has been designated as Special Voting Stock. As of March 12, 2001: (a) 250,649,657 shares of CIT Common Stock were issued and outstanding; (b) one share of Special Voting Stock was issued and outstanding, (c) 11,248,111 shares of CIT Common Stock were reserved for issuance upon the exchange of the Exchangeable Shares; (d) 23,276,689 shares of CIT Common Stock were reserved for issuance in respect of existing option grants and 5,623,311 shares were reserved for issuance in respect of future option grants under CIT option plans; and (e) 639,525 shares of CIT

Common Stock were reserved and available for future issuance pursuant to CIT's Employee Share Purchase Plan and 401 (k) Plan.

4. Newco is an unlimited liability company incorporated under the laws of Nova Scotia, is a wholly-owned indirect subsidiary of CIT, and is not a reporting issuer or the equivalent thereof in any of the Jurisdictions.

5. Exchangeco is a company incorporated under the laws of Nova Scotia, all of the common shares of which are held by Newco. Exchangeco is a reporting issuer or the equivalent thereof in each of the Jurisdictions, or, if not a reporting issuer or equivalent, Exchangeco complies with the continuous and timely disclosure filing requirements set forth in the November Decision Document.

6. The authorized capital of Exchangeco consists of: (a) one million common shares; (b) 15 billion non-cumulative, non-voting class A preference shares; (c) one billion cumulative non-voting class B preference shares; and (d) one billion Exchangeable Shares. As of March 12, 2001, there were 11,248,111 Exchangeable Shares issued and outstanding (excluding any shares held by CIT and its affiliates).

7. The Exchangeable Shares are listed on the TSE. After completion of the Merger, the Exchangeable Shares will remain listed on the TSE until all such shares have been exchanged or otherwise redeemed in accordance with their terms.

8. CIT and Exchangeco are not in default of any of the requirements of the securities legislation of the Jurisdictions.

9. CIT Financial Ltd., formerly Newcourt Credit Group Inc. (for the purposes hereof "Newcourt") is a corporation amalgamated under the laws of the Province of Ontario, is a wholly-owned subsidiary of Exchangeco and is not a reporting issuer or the equivalent thereof in any of the Jurisdictions.

#### *Tyco and Tyco Acquisition*

10. Tyco is a company incorporated with limited liability under the laws of Bermuda, and is subject to the reporting requirements of the Exchange Act. Tyco is a reporting issuer in Ontario, Quebec, British Columbia, Alberta, Nova Scotia, Saskatchewan, and Manitoba. Tyco is not in default of any of the requirements of the securities legislation of the provinces in which it is a reporting issuer.

11. The shares of common stock in the capital of Tyco ("Tyco Common Shares") are listed on the New York Stock Exchange, the Bermuda Stock Exchange and the London Stock Exchange.

12. The authorized capital of Tyco consists of 2,500,000,000 Tyco Common Shares and 125,000,000 preference shares, par value U.S.\$1.00 per share. As of January 26, 2001: (a) 1,752,275,000 Tyco Common Shares were issued and outstanding; and (b) no preference shares

were outstanding. As of December 31, 2000, no more than 180,000,000 Tyco Common Shares were reserved for issuance upon exercise of stock options issued under Tyco's stock option plans.

13. Tyco Acquisition is a company incorporated under the laws of the State of Nevada, and is a wholly-owned subsidiary of Tyco. Tyco Acquisition is not a reporting issuer in the Jurisdictions. Following consummation of the Merger, Tyco Acquisition will change its name to CIT Holdings (NV) Inc.

#### *Merger of Tyco Acquisition and CIT*

14. Pursuant to the Merger Agreement, the Merger will be effected with CIT merging with and into Tyco Acquisition with Tyco Acquisition continuing as the surviving corporation and as a wholly-owned subsidiary of Tyco. Holders of CIT Common Stock will receive 0.6907 of a Tyco Common Share for each share of CIT Common Stock held. Exchangeable Shares will remain outstanding and each Exchangeable Share will be exchangeable for 0.6907 of a Tyco Common Share (subject to adjustment for certain changes in Tyco Common Shares).

15. Following completion of the Merger, no fractional Tyco Common Shares will be delivered to holders of Exchangeable Shares upon the exchange of Exchangeable Shares. In lieu of any such fractional shares, each holder of an Exchangeable Share who is otherwise entitled to a fractional interest in a Tyco Common Share will receive a cash payment, without interest, when such shares are exchanged for Tyco Common Shares. In accordance with the terms of the Merger Agreement, the cash payment will be equal to such fraction multiplied by the closing price of Tyco Common Shares on the New York Stock Exchange (as reported by Bloomberg Financial Markets (or if such service is unavailable, a service providing similar information)) on the trading day immediately preceding the date of surrender for exchange (a "Fractional Cash Payment").

16. Under the Merger, each Option granted by CIT (a "CIT Option") to purchase CIT Common Stock which is outstanding and unexercised immediately prior to the effective time of the Merger will be converted automatically into an option to purchase Tyco Common Shares (each a "Replacement Option"). The number of Tyco Common Shares to be subject to each Replacement Option will be equal to the product of the number of shares of CIT Common Stock subject to the original CIT Option immediately prior to the effective time of the Merger and 0.6907 (rounded down to a whole number of Tyco Common Shares). The exercise price per share of Tyco Common Shares under each Replacement Option shall be equal to the exercise price per share of CIT Common Stock under the original CIT Option immediately prior to the effective time of the Merger divided by 0.6907 (rounded up to the nearest cent). The duration and other material terms of each Replacement Option will be the same as the original CIT Option immediately prior to the effective time of the Merger.

17. The Merger must be approved by at least a majority of the votes of the outstanding CIT Common Stock and Exchangeable Shares, voting together as a single class, at a special meeting of CIT stockholders to be held on May 23, 2001.

18. On or about April 23, 2001, a proxy statement/prospectus (the "Circular") was mailed to all shareholders of CIT and all holders of Exchangeable Shares in connection with the CIT meeting, containing, among other things, a detailed description of the Merger, information concerning Tyco and a discussion of the effect of the Merger on the Exchangeable Shares. The Circular has been prepared in conformity with the rules and regulations of the United States Securities and Exchange Commission (the "SEC").

19. Application will be made by Tyco to list the Tyco Common Shares to be issued upon exchange of Exchangeable Shares after the completion of the Merger on the New York Stock Exchange.

20. The Merger is expected to be completed on or about June 1, 2001 (the "Closing Date").

21. Promptly following the Merger, Tyco Acquisition will transfer substantially all the assets and liabilities of CIT to a new wholly-owned subsidiary, The CIT Group, Inc., a Nevada corporation ("New CIT"), which will effectively be the successor corporation to CIT. New CIT will continue to be subject to the information requirements of the Exchange Act.

#### *Exchangeable Shares*

22. The holders of Exchangeable Shares are entitled to dividend, liquidation and voting rights that are, as nearly as possible, functionally and economically equivalent to those of CIT Common Stock. The Exchangeable Shares were issued by Exchangeco on November 15, 1999 upon the acquisition by CIT of Newcourt in the Arrangement and were issued to provide an opportunity for Newcourt shareholders who were resident in Canada to achieve a Canadian tax deferral.

23. Pursuant to a voting and exchange trust agreement dated November 15, 1999 (the "Voting and Exchange Trust Agreement"), among CIT, Exchangeco and Montreal Trust Company of Canada, as trustee (the "Trustee"), the holders of Exchangeable Shares are entitled to vote with the holders of CIT Common Stock on all matters submitted to a vote thereof.

24. On or before the Closing Date, Tyco Acquisition, CIT, Exchangeco and the Trustee will enter into a supplemental agreement to the Voting and Exchange Trust Agreement (the "Supplemental Voting and Exchange Trust Agreement"), pursuant to which Tyco Acquisition will cause Tyco to take all corporate action necessary to issue a special voting preference share (the "Tyco Special Voting Share") to the Trustee for the benefit of the holders of the Exchangeable Shares. The Tyco Special Voting Share shall be entitled to vote with holders of Tyco Common Shares on all matters submitted to a vote thereof. The number of votes attaching to the Tyco Special Voting Share shall be equal to the number of Tyco Common Shares for which the Exchangeable Shares outstanding at such time are then exchangeable (other than Exchangeable Shares owned by Tyco and its affiliates and Exchangeable Shares in respect of which no instructions are received). Tyco will, on or before the Closing Date, enter into a separate agreement pursuant to which Tyco will covenant and agree with Tyco Acquisition, CIT, Exchangeco and the Trustee to take all such action to ensure that Tyco Acquisition will perform its obligations under the Supplemental Voting and Exchange Trust Agreement. The Special

Voting Stock issued by CIT pursuant to the Voting and Exchange Trust Agreement will be cancelled.

25. On November 15, 1999, CIT, Newco and Exchangeco entered into an exchangeable share support agreement (the "Support Agreement"). On or before the Closing Date, Tyco Acquisition, CIT, Newco and Exchangeco will enter into a supplemental share support agreement (the "Supplemental Share Support Agreement") in order to provide that CIT Common Stock shall, for all purposes under the Support Agreement, mean Tyco Common Shares, proportionately adjusted. The Supplemental Share Support Agreement will include Tyco Acquisition's agreement to ensure that Tyco does not declare or pay any dividends on the Tyco Common Shares unless Exchangeco simultaneously declares or pays an equivalent dividend on the Exchangeable Shares. 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 Tyco Common Shares. Tyco will, on or before the Closing Date, enter into a separate agreement pursuant to which Tyco will covenant and agree with Tyco Acquisition, CIT, Newco and Exchangeco to take all such action to ensure that Tyco Acquisition will perform its obligations under the Supplemental Share Support Agreement.

26. In specified circumstances, the share provisions attaching to the Exchangeable Shares (the "Exchangeable Share Provisions") and the Voting and Exchange Trust Agreement permit the retraction and redemption of Exchangeable Shares (including upon a liquidation of Exchangeco), grant redemption, retraction and liquidation call rights to Newco, and grant the right to holders of Exchangeable Shares to require CIT to purchase the Exchangeable Shares in the event of the liquidation of Exchangeco or CIT. Currently, the price to be paid for an Exchangeable Share is generally the current market price (as defined in the applicable document) of a share of CIT Common Stock on the last business day prior to the relevant date. The price is to be satisfied by the delivery of one share of CIT Common Stock together with, on the designated payment date therefor, all declared and unpaid dividends held by the holder on any dividend record date. After the Merger, the applicable Price to be paid for each Exchangeable Share for the purposes or in the circumstances outlined above will be equal to the product obtained by multiplying 0.6907 (subject to adjustment for certain changes in Tyco Common Shares) by the current market price (as defined in the applicable document) of a Tyco Common Share on the last business day prior to the relevant date. The purchase price will be satisfied by the delivery of 0.6907 of a Tyco Common Share (subject to adjustment for certain changes in Tyco Common Shares) plus the Fractional Cash Payment, together with, on the designated payment date therefor, all declared and unpaid dividends for each Exchangeable Share.

27. Additional changes will be made in the Supplemental Voting and Exchange Trust Agreement and the Supplemental Share Support Agreement as necessary in order to reflect the acquisition of CIT in the Merger.

#### *Trades and Possible Trades*

28. The Merger and the attributes of the Exchangeable Shares contained in the Exchangeable Share Provisions, the Supplemental Voting and Exchange Agreement and the Supplemental Share Support Agreement involve or may involve a number of trades of securities. The trades

and possible trades in securities to which the Merger gives rise, which are not the subject of the November Decision Document, include trades of Tyco Common Shares issued in exchange for or upon the retraction or redemption of Exchangeable Shares or in connection with the liquidation, dissolution or winding up of Tyco or Exchangeco. Also included are trades in connection with the creation and issuance of the Replacement Options and the issuance of Tyco Common Shares upon the exercise of the Replacement Options. All possible trades in connection with the Merger and the exchange of the Exchangeable Shares subsequent to the Merger, excluding first trades referred to paragraph B below, are referred to collectively as the "Tyco Trades". To the extent that there are no exemptions from the Registration Requirements and Prospectus Requirements for the Tyco Trades, exemptive relief is required.

AND WHEREAS under the MRRS this 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 that effective from and after the effective time of the Merger is that:

A.The Registration and Prospectus Requirements shall not apply to any of the Tyco Trades;

B.The first trade in Tyco Common Shares received pursuant to the Merger and upon the exchange of Exchangeable 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 be a deemed distribution or primary distribution to the public under the Legislation of such Jurisdiction (the "Applicable Legislation") unless:

(a) Tyco is or is deemed to be a reporting issuer or the equivalent thereof under the Applicable Legislation, or, if not a reporting issuer or equivalent, Tyco 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 Tyco, as such terms are defined in the Applicable Legislation, the seller has reasonable grounds to believe that Tyco is not in default of any requirement of the Applicable Legislation;

(c) no unusual effort is made to prepare the market or to create a demand for the Tyco Common Shares 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 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 Tyco to affect materially the control of Tyco but any holding of any person, company or combination of persons or companies holding more than twenty percent of the outstanding voting securities of Tyco shall, in the absence of evidence to the contrary, be deemed to affect materially the control of Tyco (and for this purpose the Tyco Common Shares and the Exchangeable Shares are considered to be of the same class), unless:

(i) Tyco is a reporting issuer or is deemed to be a reporting issuer or the equivalent thereof under the Applicable Legislation, or, if not a reporting issuer or equivalent, Tyco 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 an which the Tyco Common Shares 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 Applicable Legislation for control block distributions (the "Control Block Rules") disclosing particulars of the control position known to the seller, the number of Tyco 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 Tyco Common Shares specified under the original notice have not been sold or until notice has been filed that the Tyco 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 Applicable Legislation;

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

(v) such seller (or an affiliated entity) has held CIT Common Stock, common shares of Newcourt, Exchangeable Shares (if applicable), and the Tyco Common Shares in the aggregate for a period of at least one year provided that if:

1. the Applicable 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 Tyco Common Shares pursuant to any such prescribed exemptions,

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

C. The Continuous Disclosure Requirements shall not apply to Exchangeco after the Merger, provided that.

(a) Tyco 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 accordance with Tyco's annual meetings which documents will include financial statements prepared solely in accordance with United States generally accepted accounting principles;

(b) Tyco 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 Decision Makers any press release that discloses a material change in Tyco;

(c) Tyco shall concurrently send to all holders of Exchangeable Shares resident in the Jurisdictions all disclosure materials furnished to holders of Tyco 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, Tyco 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 Tyco;

(e) Tyco 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 Tyco and not to Exchangeco, such insert to include a reference to the economic equivalency between an Exchangeable Share and 0.6907 of a Tyco Common Share and the right to direct voting at Tyco's stockholders' meetings pursuant to the Voting and Exchange Trust Agreement, as supplemented and amended;

(f) Tyco remains the direct or indirect beneficial owner of all of the issued and outstanding common shares of Exchangeco; and

(g) Exchangeco and Newco have not issued 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 C of this Decision are complied with.

THE FURTHER DECISION of the Decision Makers is that, as of the Closing Date, section C and section D of the November Decision Document are revoked.

DATED on this "31<sup>st</sup>" day of "May", 2001.