

IN THE MATTER OF
THE SECURITIES LEGISLATION OF ALBERTA, SASKATCHEWAN, MANITOBA,
ONTARIO, QUEBEC, NOVA SCOTIA AND NEWFOUNDLAND

AND

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

AND

IN THE MATTER OF
DUNDEE WEALTH MANAGEMENT INC.
AND DUNDEE BANCORP INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia and Newfoundland (the "Jurisdictions") has received an application from Dundee Wealth Management Inc. ("DWM") and Dundee Bancorp Inc. ("DBI") (collectively the "Filers") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the requirement in the Legislation for an insider of a reporting issuer to file reports disclosing the insider's direct or indirect beneficial ownership of, or control or direction over, securities of the reporting issuer (the "Insider Reporting Requirement") shall not apply to certain of the directors and senior officers of the Filers' subsidiaries;

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

AND WHEREAS the Filers have represented to the Decision Makers that:

1. Each of the Filers is a corporation subsisting under the *Business Corporations Act* (Ontario).
2. The head office of each of the Filers is located in Toronto, Ontario.
3. DWM is authorized to issue, among other securities, an unlimited number of common shares ("DWM Common Shares").
4. DBI is authorized to issue, among other securities, an unlimited number of class A subordinate voting shares ("DBI Class A Shares").
5. Each of the Filers is a reporting issuer or its equivalent, under the Legislation in each of the Jurisdictions and is not in default of its obligations under such Legislation.

6. The DWM Common Shares and the DBI Class A Shares are listed on the Toronto Stock Exchange.

7. DBI is a merchant banking and financial service company and an insider of DWM because it holds, as of the date of this Decision Document, directly or indirectly, securities of DWM representing, collectively, an 85.3% equity interest and an 86.6% voting interest. DBI is also currently an insider of certain reporting issuers under the Legislation of one or more of the Jurisdictions (collectively with DWM, the "Current Reporting Issuers") and it may become an insider of additional reporting issuers (collectively with the Current Reporting Issuers, the "Other Reporting Issuers").

8. DBI may, in the future, increase or decrease its beneficial ownership, control or direction over the common shares or other securities of the Other Reporting Issuers.

9. Each of the Filers currently owns, directly or indirectly, numerous subsidiaries and may from time to time in the future acquire or establish other subsidiaries (all such current and future subsidiaries of either of the Filers are referred to collectively as the "Dundee Subsidiaries").

10. Presently Dundee Securities Corporation ("DSC") and Dynamic Mutual Funds Ltd. ("DMFL") are Significant Subsidiaries (as hereinafter defined) of DWM and DBI.

11. DSC is an investment dealer and employs a number of people as investment bankers, traders, analysts, salespersons, communications personnel, compliance personnel, human resources personnel and other administrative personnel who have been designated as vice-presidents and/or directors of DSC as is standard in the industry (the, "Designated DSC Insiders").

12. The duties of the Designated DSC Insiders who are vice-presidents and/or directors include: (i) providing investment management services and investment advice to institutional and retail clients; (ii) researching specific industries and specific companies to assist individual investors and institutional clients in the making of investment decisions; (iii) overseeing than record keeping undertaken in relation to the client accounts of DSC; (iv) monitoring and ensuring compliance with regulations that apply to investment dealers; (v) analysing and managing the staffing needs of DSC; (vi) selling, purchasing and trading equity and equity-related securities on behalf of individual investors, institutional clients and DSC in the ordinary course of business; (vii) providing investment banking services in connection with financing and financial advisory engagements in a number of industry sectors; (viii) dealing with the technology and back office requirements of DSC-, and (ix) dealing with the marketing, advertising, recruitment and product development requirements of DSC.

13. DSC has in place a unanimous shareholders declaration that removes from the directors thereof the power to manage or supervise the management of the business or affairs of DSC and delegates such power to the Chairman and Managing Director of DSC. DWM, the sole shareholder of DSC, may, in the future, amend the declaration to delegate such power to or additional officers of DSC. DSC does not currently have a Managing Director. The Chairman of DSC is not a Designated DSC Insider and any other individual to whom such power is delegated

will also not be a Designated DSC Insider. Accordingly, directors of DSC who are Designated DSC Insiders do not have access to information normally given to directors of corporations.

14. DMFL is an investment management company and employs investment managers, traders, marketing personnel, compliance personnel and other administrative personnel who have been designated as vice-presidents of DMFL as is standard in the industry (the "Designated DMFL Insiders").

15. The duties of the Designated DMFL Insiders include: (i) providing investment management services to a number of open-end and closed-end investment funds and wealth management programs; (ii) overseeing the record keeping undertaken in relation to unitholder account information and the distribution of new products; (iii) monitoring and ensuring compliance with regulations that apply to investment management companies and mutual funds; (iv) wholesale distribution of investment products created by DMFL; (v) dealing with the technology and back office requirements of DMFL, and (vi) dealing with the marketing, advertising, recruitment and product development requirements of DMFL.

16. None of the Designated DSC Insiders, the Designated DMFL Insiders or the directors and senior officers of the Dundee Subsidiaries that are not Significant Subsidiaries (collectively with the designated DSC Insiders and the Designated DMFL Insiders, the "Dundee Insiders") receives, in the ordinary course, information as to material facts or material changes (before the material facts or material changes are generally disclosed) concerning (i) the Filers (including material facts or material changes concerning a Significant Subsidiary which constitute material facts or material changes concerning the applicable Filer), (ii) the Other Reporting Issuers, or (iii) reporting issuers which are insiders of either of the Filers (the "Dundee Reporting Issuers").

17. No information regarding the financial results, budgets or business plans of the Filers, the Other Reporting Issuers or the Dundee Reporting Issuers is made available to the Dundee Insiders prior to such information being generally disclosed. The duties of the Dundee Insiders do not include interpreting the financial and operational significance of information in the context of the Filers, the Other Reporting Issuers or the Dundee Reporting Issuers.

18. None of the Dundee Insiders is a director or officer of either of the Filers. None of the Dundee Insiders participates in the day to day management or operations of either of the Filers, None of the Dundee Insiders has control over a principal business unit or division of either of the Filers or a Significant Subsidiary.

19. Each of the Filers shall maintain a continuous review of the relevant facts contained in the representations upon which its Decision Document is based, and shall maintain a list of the directors and senior officers of each Dundee Subsidiary exempted from the Insider Reporting Requirement by this MRRS Decision Document and the basis upon which each of the directors and senior officers comes within the terms of this MRRS Decision Document.

20. The Filer shall, at the end of each month, advise each of the Decision Makers of the name of every Designated DSC insider and Designated DMFL Insider who becomes, or ceases to be, exempted by this Decision during such month and within 30 days of the end of each calendar

year, shall provide each of the Decision Makers with an updated list of the Designated DSC insiders and Designated DMFL insiders.

21. The Filers shall, at the request of the Decision makers, furnish any information necessary for the Decision Makers to determine whether a director or senior officer of any Dundee Subsidiary is or is not exempted by this MRRS Decision Document.

AND WHEREAS for the purposes of this MRRS Decision Document, "Significant Subsidiary" means a subsidiary of either of the Filers if:

(a) the assets of the subsidiary, on a consolidated basis with its subsidiaries, as included in the most recent annual audited balance sheet filed by such Filer, is 10 percent or more of the consolidated assets of such Filer reported on such balance sheet; or

(b) the revenues of the subsidiary, on a consolidated basis with its subsidiaries, as included in the most recent annual audited income statement of such Filer, is 10 percent or more of the consolidated revenues of such Filer shown on such statement;

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

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met,

THE DECISION of the Decision Makers under the Legislation is that the directors and senior officers of the Dundee Subsidiaries other than Dundee Subsidiaries that are Significant Subsidiaries are exempted from the Insider Reporting Requirement in respect of securities of either of the Filers, provided that:

(i) the director or senior officer does not receive, in the ordinary course, information as to material facts or material changes concerning either of the Filers before, the material facts or material changes are generally disclosed; and

(ii) the director or senior officer is not also an insider of either of the Filers in a capacity other than as a director or senior officer of the applicable Dundee Subsidiary and is not otherwise exempted from the Insider Reporting Requirement; and

THE FURTHER DECISION of the Decision Makers directors and senior officers of the Dundee Subsidiaries that are Significant Subsidiaries are exempted from the Insider Reporting Requirement in respect of securities of either of the Filers, provided that:

(i) the director or senior officer is a Designated DSC Insider or a Designated DMFL Insider;

(ii) the director or senior officer does not receive, in the ordinary course, information as to material facts or material changes concerning either of the Filers (which for this purpose includes material facts or material changes with respect to a Significant Subsidiary of a Filer that constitute material facts or material changes with respect to the Filer itself) before the material facts or material changes are generally disclosed; and

(iii) the director or senior officer is not also an insider of either of the Filers in a capacity other than as a director or senior officer of the applicable Dundee Subsidiary and is not otherwise exempted from the Insider Reporting Requirement; and

THE FURTHER DECISION of the Decision Makers under the legislation other than Quebec is that the directors or senior officers of a Dundee Subsidiary are exempted from the Insider Reporting Requirement in respect of securities of an Other Reporting Issuer or of a Dundee Reporting Issuer, provided that,

(i) the director or senior officer does not receive, in the ordinary course, information as to material facts or material changes concerning the applicable Other Reporting Issuer or Dundee Reporting Issuer before the material facts or material changes are generally disclosed;

(ii) the director or senior officer is not also an insider of the applicable Other Reporting Issuer or Dundee Reporting Issuer in a capacity other than as a director or senior officer of an affiliate of an insider of such Other Reporting Issuer or Dundee Reporting Issuer and is not otherwise exempted from the Insider Reporting Requirements; and

(iii) the director or senior officer is not a director or senior officer of a company that supplies goods or services to such Other Reporting Issuer or Dundee Reporting Issuer or has contractual arrangements with such Other Reporting Issuer or Dundee Reporting Issuer, and the nature and scale of the supply or contractual arrangements could reasonably be expected to have a significant effect on the market price or value of the securities of such Other Reporting Issuer or Dundee Reporting Issuer.

DATED this "24th" day of "April" 2001.

Headnote

MRRS - Mutual Reliance Review System for Exemptive Relief Applications -relief for senior officers and directors of subsidiaries other than "significant" subsidiaries, and particular directors

and vice-presidents of "significant" subsidiaries, of reporting issuer from the insider reporting requirements, subject to certain conditions.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., s. 1(1), 107, 108, 121(2)(a)(ii)

Applicable Ontario Regulations

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am. Part VIII.

Applicable Ontario Policies

Policy Statement 10.1 – *Applications for Exemption from Insider Reporting Obligations for Insiders of Subsidiaries and Affiliated Issuers*

Applicable National Instruments

Proposed National Instrument 55-101 - *Exemption from Certain Insider Reporting Requirements*
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