

IN THE MATTER OF THE SECURITIES LEGISLATIONS OF  
QUEBEC, NOVA SCOTIA AND MANITOBA

AND

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

AND

IN THE MATTER OF  
THE HOME DEPOT, INC.

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator ("the "Decision Makers") in each of the Provinces of Quebec, Nova Scotia and Manitoba (the "Jurisdictions") has received an application from The Home Depot, Inc. ("Home Depot") for a decision pursuant to the securities legislation of each of the Jurisdictions (the "Legislation") that:

(a) the requirements contained in the securities legislation in each of the Jurisdictions to be registered to trade in a security (the "Registration Requirements") shall not apply to certain trades under the Home Depot's Non-U.S. Employee Stock Purchase Plan and 1997 Omnibus Stock Incentive Plan (the "Plans") made by Salomon Smith Barney Inc. (the "Agent") on behalf of Home Depot or by eligible employees of Home Depot and its affiliates resident in the Jurisdictions ("Canadian Employees" or individually, a "Canadian Employee") and the subsequent first trades in Home Depot's common shares ("Common Shares" or individually, a "Common Share") by Canadian Employees;

(b) the requirements contained in the securities legislation in each of the Jurisdictions to file and obtain a receipt for a preliminary prospectus and prospectus (the "Prospectus Requirements") shall not apply to certain trades under the Plans and the subsequent first trades in Common Shares by Canadian Employees.

WHEREAS pursuant to the Mutual Reliance Review for Exemptive Relief Applications (the "System"), the Quebec Securities Commission is the principal regulator for this application.

WHEREAS Home Depot has represented to the Decision Makers that:

1. Home Depot is a corporation incorporated under the laws of the State of Delaware in the United States of America and is subject to the reporting requirements of the *Securities Exchange Act of 1934* of the United States;
2. Home Depot of Canada, Inc. ("Home Depot Canada"), a corporation incorporated under the laws of the Province of Ontario, is a wholly-owned indirect subsidiary of Home Depot;

3. neither Home Depot or Home Depot Canada is a reporting issuer under the Legislation or has any present intention of becoming a reporting issuer under the Legislation;
4. the authorized capital of Home Depot consists of 5,000,000,000 Common Shares, of which there were 2,333,638,407 Common Shares issued and outstanding as of May 24, 2001;
5. the Common Shares are listed and posted for trading on The New York Stock Exchange ("NYSE");
6. Home Depot established the Plans to attract, retain and motivate the employees of Home Depot and its affiliates, including employees resident in the Jurisdictions (the "Canadian Employees");
7. as of December 31, 1999, there were 13,761 Canadian Employees eligible to participate in the Non-U.S. Employee Stock Purchase Plan and 672 Canadian Employees eligible to participate in the 1997 Omnibus Stock Incentive Plan;
8. under the Non-U.S. Employee Stock Purchase Plan, eligible employees, including the Canadian Employees, have been given an opportunity to purchase Common Shares through payroll deductions and from time to time lump sum payments;
9. under the 1997 Omnibus Stock Incentive Plan, eligible employees, including the Canadian Employees, may be granted options by Home Depot and the options are convertible into Common Shares;
10. the Plans are administered by a committee appointed by Home Depot's board of directors (the "Committee");
11. Home Depot has engaged the Agent to administer the operation of the Plans, including the exercise of options by Canadian Employees and the sale by Canadian Employees of Common Shares acquired under the Plans;
12. the Agent is registered as a broker-dealer under applicable legislation in the United States;
13. the options are non-transferable other than by will or the laws of descent and distribution, except that the Committee may expressly provide in an option agreement that the participant may transfer his or her options in certain limited circumstances;
14. participation in the Plans is voluntary and the Canadian Employees will not be induced to participate in the Plans by expectation of employment or continued employment;
15. all disclosure material relating to Home Depot that Home Depot is required to file with the Securities and Exchange Commission in the United States will be provided or made available on request to the Canadian Employees who acquire Common Shares under the Plans, at the same time and in the same manner, as such materials are provided or made available on request to

holders of the Common Shares who are resident in the United States, as well as a copy of this decision document;

16. all sales of Common Shares acquired by the Canadian Employees under the Plans will be made through the facilities of and in accordance with the rules of the NYSE by the Agent;

17. at the time of the issuance of any options or Common Shares under the plans, holders of Common Shares resident in Canada do not hold more than 10% of the outstanding Common Shares and do not represent in number more than 10% of the total number of holders of Common Shares;

18. the Legislation contains exemptions from the Registration Requirement and the Prospectus Requirement for intended trades under the Plans;

19. where the Agent sells Common Shares acquired under the Plans on behalf of a Canadian Employee, neither the Canadian Employee nor the Agent is 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

20. the Legislation deems any trade in Common Shares acquired under the Plans to be a distribution unless, among other things, Home Depot is a reporting issuer and has been a reporting issuer for the 12 months immediately preceding the trade;

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

AND WHEREAS each Decision Maker 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:

The Registration Requirements shall not apply to the trades made by the Agent on behalf of Home Depot or by Canadian Employees under the Plans through the Agent in Common Shares acquired under the Plans where such trades are in accordance with the provisions of the Plans, as applicable.

Dated this 6<sup>th</sup> day of December, 2001.

*"Jean Lorrain"*

Director of compliance and enforcement

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

1. The Registration Requirements shall not apply to trades which may be made under the Plans where such trades are in accordance with the provisions of the Plans, as applicable.

2. The Prospectus Requirements shall not apply to trades under the Plans where such trades are in accordance with the provisions of the Plans, as applicable.

3. A first trade in Common Shares acquired by Canadian Employees under the Plans is deemed a distribution or a primary distribution to the public unless such trade is executed through the facilities of a stock exchange or on an organized market outside of Canada and in accordance with the laws applicable to such exchange or market.

4. A French-language offering notice which describes in detail the operation of the Plans must be distributed to all Canadian Employees in each Jurisdiction which by law requires such distribution.

Dated this 6<sup>th</sup> day of December, 2001.

"Jos<sup>é</sup> Deslauriers" Le chef du service du financement des sociétés