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

AND

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

AND

IN THE MATTER OF ITEMUS INC. AND NAME INC.

MRRS DECISION DOCUMENT

WHEREAS the securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Qu顫c, Nova Scotia and Newfoundland (collectively, the "Jurisdictions") has received an application from itemus inc. (the "Applicant") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that, in connection with an offer dated March 6, 2001 (the"Offer") by the Applicant to acquire all of the issued and outstanding common shares (the "Common Shares"), options (the "Options") and warrants (the "Warrants") of NAME Inc. ("NAME"), severance arrangements (the "Severance Arrangements") between the Applicant and certain senior officers and employees (collectively, the "Employees") of NAME are proposed to be entered into for reasons other than to increase the value of the consideration paid to the Employees for their Common Shares and Options and may be entered into despite the provision in the Legislation that prohibits an offeror who makes or intends to make a take-over bid and any person acting jointly or in concert with the offeror from entering into any collateral agreement, commitment or understanding with any holder or beneficial owner of securities of the offeree issuer that has the effect of providing to the holder or owner a consideration of greater value than that offered to other holders of the same class of securities (the "Prohibition on Collateral Agreements");

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System") the Executive Director of the British Columbia Securities Commission is the principal regulator for this application;

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

1. the Applicant is a strategic services and technologies company that helps organizations architect, build and manage innovative business models for the Internet. The Applicant assists Global 2000 organizations to take advantage of the Internet and profit from advantages made possible by the Internet’s commercial and technological environments;

2. the Applicant was continued under the *Canadian Business Corporations Act* on May 13, 1994, and is a reporting issuer or the equivalent in all provinces of Canada;

3. the authorized capital of the Applicant consists of an unlimited number of common shares and an unlimited number of preferred shares. As at March 5, 2001, 280,224,437 common shares were issued and outstanding. The Applicant's common shares are listed for trading on The Toronto Stock Exchange Inc. (the "TSE"), the Australian Stock Exchange and the NASDAQ stock market;

4. NAME is a leading application integrator and engages in the business of assisting clients in understanding and taking advantage of network technologies in electronic business, online publishing, knowledge management and process re-engineering;

5. NAME was incorporated under the *Business Corporations Act* (Ontario) on October 18, 1993. The authorized capital of NAME consists of an unlimited number of common shares (the "Common Shares"). As at March 5, 2001, 128,601,129 Common Shares were issued and outstanding (approximately 152,675,129 Common Shares on a fully diluted basis). The Common Shares are listed and posted for trading on the TSE. NAME is a reporting issuer in British Columbia, Alberta and Ontario;

6. on February 18, 2001, the Applicant and NAME entered into a binding letter agreement setting out the general terms of the proposed acquisition by the Applicant of all of the Common Shares and options to acquire Common Shares and NAME's board of directors' support of the Offer, subject to certain conditions, including mutual confirmatory due diligence. On that date, the Applicant also entered into a letter agreement with certain shareholders of NAME (the "Locked-up Shareholders"), holding an aggregate of approximately 17% of the issued and outstanding Common Shares (on an undiluted basis), pursuant to which the shareholders agreed to irrevocably tender their Common Shares and Options to the Offer;

7. on March 6, 2001, the Applicant entered into a support agreement with NAME reflecting NAME's board of directors' unanimous approval and commitment to recommend acceptance to holders of Common Shares, Warrants and Options, of the Offer, and also entered into lock-up agreements with each of the Locked-up Shareholders;

8. on March 8, 2001, the Applicant made the Offer to acquire all of the outstanding Common Shares on the basis of 0.9 common shares of the Applicant (the "Applicant's Shares") for each Common Share, subject to increase in certain circumstances. The Applicant also offered to exchange all Options and Warrants for options and warrants, respectively, to purchase the Applicant's Shares, on the basis of the same underlying exchange ratio for the Applicant's Shares being offered to holders of Common Shares. On that date, the closing price of the Applicant's common shares on the TSE was $0.59;

9. the Offer has been made by way of a take-over bid circular dated March 6, 2001 prepared in accordance with applicable securities laws. The Offer is conditional upon, among other things, there being validity deposited under the Offer and not withdrawn at the expiry time a sufficient number of Common Shares to enable the Applicant to complete a second stage going private transaction. The Offer will expire at 5:00 p.m. (EST) on March 30, 2001, unless extended, varied or amended;

10. in connection with the Offer, the Applicant has consented to offer to the Employees the right to receive a severance payment in the amount of each Employee's respective salary for the twelve month period preceding the date of termination upon the termination of the employment of the Employee other than for cause. No other additional rights or benefits were offered to the Employees in connection with the Offer and the Employees will receive the same consideration for the Common Shares and Warrants tendered to the Offer as offered to all other holders of Common Shares and/or Options tendered to the Offer;

11. the Employees are the following:

(a) Mark Anshan is the Senior Vice-President, Corporate & Legal Affairs, General Counsel and Corporate Secretary of NAME. Anshan does not hold, directly or indirectly, or exercise control or direction over any Common Shares. Anshan currently holds options to purchase 150,000 Common Shares under the NAME stock option plan (the "NAME Stock Option Plan");

(b) David Benjamin is the Senior Vice President, Knowledge Management of NAME. Benjamin holds, directly and indirectly, or exercises control or direction over 61,047 Common Shares. Benjamin also currently holds options to purchase 285,000 Common Shares under the NAME Stock Option Plan;

(c) Scott Collinson is the Vice-President, Alliances of NAME. Collinson does not hold, directly or indirectly, or exercise control or direction over any Common Shares. Collinson currently holds options to purchase 152,500 Common Shares under the NAME Stock Option Plan;

(d) Peter Hoffman is the Vice-President, Customer Solutions of NAME. Hoffman does not hold, directly or indirectly, or exercise control or direction over any Common Shares. Hoffman currently holds options to purchase 112,000 Common Shares under the NAME Stock Option Plan;

(e) Aviva Kohen is the Vice-President, Finance of NAME. Kohen does not hold, directly or indirectly, or exercise control or direction over any Common Shares. Kohen currently holds options to purchase 90,000 Common Shares under the NAME Stock Option Plan;

(f) David Komlos is the Executive Vice-President, Strategy of NAME. Komlos holds, directly and indirectly, or exercises control or direction over 440,000 Common Shares. Komlos also currently holds options to purchase 375,000 Common Shares under the NAME Stock Option Plan;

(g) Lou Mersereau is the Vice-President, Workforce Development of NAME. Mersereau holds, directly and indirectly, or exercises control or direction over 61,047 Common Shares. Mersereau also currently holds options to purchase 285,000 Common Shares under the NAME Stock Option Plan;

(h) Avi Pollock is the Executive Vice-President, Professional Services of NAME. Pollock holds, directly and indirectly, or exercises control or direction over 91,950 Common Shares. Pollock also currently holds options to purchase 350,000 Common Shares under the NAME Stock Option Plan;

(i) Roger Tessier is the Vice President, Consulting of NAME. Tessier holds, directly and indirectly, or exercises control or direction over 16,628 Common Shares. Tessier also currently holds options to purchase 190,000 Common Shares under the NAME Stock Option Plan.

12. Other than the Severance Arrangements, the terms of the employment arrangements between NAME and the Employees are not proposed to be amended;

13. the Severance Arrangements were negotiated at arm's length, are on commercially reasonable terms and conditions, are commensurate with the entitlements of similarly situated officers and employees in the industry in which the Applicant conducts business and are comparable to the severance arrangements currently in effect with certain senior officers of NAME;

14. none of the Employees is a director of NAME or a Locked-up Shareholder;

15. as the Applicant proposes to offer the Severance Arrangements only to the Employees, each of whom is a holder of Common Shares and/or Options, the Applicant is applying for relief pursuant to the Legislation that the Severance Arrangements will be made for purposes other than to increase the value of consideration to the Employees for their Common Shares and Options and that these arrangements may be entered into notwithstanding any restrictions contained in the Legislation;

16. the Severance Arrangements are being offered for a business purpose relating to the terms upon which the Applicant was prepared to make the Offer. The Applicant was advised by management of NAME that NAME was very actively considering implementing severance arrangements with the Employees on terms similar to those proposed under the Severance Arrangements prior to the announcement of the Offer and had delayed implementing the arrangements as a result of the making of the Offer;

17. the Applicant believes that the Employees have been an integral to the successful development of the NAME business and have substantial and valuable experience and expertise in the Internet industry. The Applicant views the retention of the Employees as critical to making the Offer, as the Employees have contributed to the development of the NAME business and have performed significant work on NAME's current business products and services. The Severance Arrangements will be entered into primarily for the purpose of offering the Employees additional security to encourage their continued participation in the successful management and development of the NAME business within the Applicant's operations following the consummation of the Offer;

18. the Severance Arrangements will be offered for business reasons unrelated to the Employees' holdings of Common Shares or Options and not for the purpose of conferring an economic or collateral benefit on the Employees that the other holders of Common Shares do not enjoy, and will be made for reasons other than to increase the value of the consideration to be paid to the Employees pursuant to the Offer;

19. In the view of the Applicant, the amount by which the Severance Arrangements exceed each of the Employees' current severance arrangements is not material in that each Employee would otherwise be entitled to common law severance payments in an amount that is not substantially different than that to which they will be entitled under the Severance Arrangements in the event of a termination other than for cause. Other than David Komlos and Aviva Kohen, whose employment agreements provide for severance payments equal to the greater of the applicable common law severance payments and three months salary (which amount increases with years of employment), none of the Employees are parties to employment agreements;

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 Markers 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 Severance Arrangements are being made for reasons other than to increase the value of the consideration to be paid to the Employees for their Common Shares and/or Options and that the Severance Arrangements may be entered into notwithstanding the Prohibition on Collateral Benefits.

DATED on March 30, 2001.

Brenda Leong
Director

Headnote

The Mutual Reliance Review System for Exemptive Relief Applications – Exemption granted from the prohibition against collateral agreements where an offeror makes or intends to make a take over bid, regarding certain employment severance arrangements that were negotiated at arm's length and made on commercially reasonable terms.

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, ss 107(2), 114(2)(a).