

IN THE MATTER OF
the Securities Legislation of the Provinces of Alberta, Saskatchewan, Manitoba, Ontario,
Quebec,

Nova Scotia, Newfoundland and Labrador, Prince Edward Island,
New Brunswick

AND IN THE MATTER OF
The Mutual Reliance Review System For
Exemptive Relief Applications

AND IN THE MATTER OF
Microcell Telecommunications Inc. and 4130910 Canada Inc.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of , Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, Newfoundland and Labrador, Prince Edward Island, New Brunswick (collectively the "Jurisdictions") have received an application (the "Application") from Microcell Telecommunications Inc. (the "Applicant") and certain of its subsidiaries (together with the Applicant the "Filing Entities") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that:

(a) other than in Ontario,, Nova Scotia, Prince Edward Island, Newfoundland and Labrador the requirements contained in the Legislation to be registered to trade in a security, to file a preliminary prospectus and a final prospectus and to receive receipts therefor (the "Registration and Prospectus Requirements") shall not apply to trades of certain securities pursuant to a plan of compromise and arrangement and of reorganization (the "Plan") made under the *Companies' Creditors Arrangement Act* (the "CCAA") and *Canada Business Corporations Act* (the "CBCA"),

(b) Except for Ontario, in those Jurisdictions in which the Legislation contains the concept of a reporting issuer and provides the authority to deem or declare an issuer a reporting issuer, 4130910 Canada Inc. a corporation to be incorporated pursuant to the CBCA ("New Microcell") shall be deemed or declared to be a reporting issuer as of the effective date of the Plan (the "Effective Date");

(c) in those jurisdictions in which the Legislation does not contain the concept of a reporting issuer, New Microcell shall be made subject to the reporting requirements of such jurisdictions as of the Effective Date;

(d) certain first trade relief; and

(e) in Ontario, the Applicant should be exempted from the requirement, if any, of obtaining the minority shareholders' approval following the issuance of restricted shares.

AND WHEREAS unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 Definitions or in Quebec Securities Commission Notice 14-101.

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Quebec 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 corporation incorporated under the CBCA. The Applicant is in the business of providing wireless telecommunications services in Canada. The Applicant offers a wide range of voice and high-speed data communications products and services.
2. The head office of the Applicant is located at 1250, Rene-Levesque Blvd. West, 38th floor, Montreal, Quebec. H3B 4W8.
3. The Applicant is a reporting issuer in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Newfoundland and Nova Scotia.
4. The Applicant is not in default under the Legislation.
5. The Applicant's Class B Non-Voting Shares are listed on the Toronto Stock Exchange ("TSX") under the symbol MTLB.
6. On January 3, 2003 the Applicant announced it had reached an agreement on a recapitalization plan with certain of its secured lenders and unsecured noteholders and obtained an initial order under the CCAA.
7. On January 3, 2003 the Applicant announced it had reached an agreement on a recapitalization plan with certain of its secured lenders and unsecured noteholders respectively holding 75 % and 55 % of the face amounts thereof.
8. On January 3, 2003, certain of the Filing Entities filed for and obtained an initial order from the Superior Court of the Province of Québec under the CCAA to ensure that the negotiated recapitalization plan is implemented in an orderly fashion and for the benefit of all stakeholders,
9. The Plan contemplates a series of steps leading to the overall recapitalization of the Filing Entities, including the creation of a new corporate entity under the CBCA, New Microcell, a corporation to be incorporated.
10. Under the Plan, the creditors are divided into two classes for voting and distribution purposes, one comprised of certain unsecured creditors (the "Affected Unsecured Creditors") and the other comprised of certain secured creditors (the "Secured Creditors"). In order to comply

with the Canadian ownership and control provisions established in the *Telecommunications Act* (Canada) S.C. 1993, C.38 and the *Radiocommunication Act* (Canada) R.S.C., C.R-2, the Secured Creditors' class is furthermore subdivided for distribution purposes into two sub-categories: Canadian and Non-Canadian.

11. The Secured Creditors category regroups:

(i) the senior lenders (the "Senior Lenders") who are the holders of claims under the credit agreement dated as of June 25, 1998, as amended and restated as of May 7, 1999 and as further amended from time to time, among the following Filing Entities, Microcell Connexions Inc. and Microcell Solutions Inc. as borrowers, the Applicant as guarantor, J.P. Morgan Chase Bank, Toronto Branch (the "Administrative Agent") and the Senior Lenders (the "Credit Agreement"); and

(ii) the holders of claims under certain hedging agreements entered into among one or more of the Filing Entities, as contemplated by the provisions of the Credit Agreement and which were terminated on December 20, 2002.

12. The Affected Unsecured Creditors category regroups:

(i) the holders of 14% Senior Discount Notes of the Applicant due June 1, 2006; the holders of 110% Senior Discount Notes of the Applicant due October 15, 2007; the holders of 12% Senior Discount Notes of the Applicant due June 1, 2009; and

(ii) certain other creditors of the Applicant.

13. The Plan provides for the settlement of the claims of certain of the Filing Entities' creditors in exchange for the issuance to such creditors of, *inter alia*, new securities in the capital of New Microcell (the "New Securities"), including first preferred shares in the capital of New Microcell (the "First Preferred Shares"), second preferred shares in the capital of New Microcell (the "Second Preferred Shares"), 2005 Warrants (the "2005 Warrants") and 2008 warrants (the "2008 Warrants").

14. the 2005 Warrants, are 2-year warrants of New Microcell entitling the holders thereof to subscribe for participating voting Class A Restricted Voting Shares in the capital of New Microcell (the "Class A Restricted Voting Shares") or participating non-voting Class B Non-Voting Shares in the capital of New Microcell (the "Class B Non-Voting Shares"), as the case may be, of New Microcell at an exercise price per share calculated by dividing \$450 million by the total number of Class A Restricted Voting Shares and Class B Non-Voting Shares outstanding on the Effective Date (calculated as if all of the First Instruments and Second Instruments outstanding on the Effective Date had been converted into Class A Restricted Voting Shares or Class B Non-Voting Shares, as the case may be), representing in the aggregate 15% of the equity of New Microcell on a fully-diluted basis (before the exercise of options pursuant to the stock option plan that will be implemented by New Microcell (the "New Stock Option Plan")

for officers and employees of New Microcell) and the issuance of shares under the employee stock purchase plan of the Applicant that will be assumed by New Microcell (the "Stock Purchase Plan") and assuming no other equity offerings, including no exercise of 2008 Warrants), and

15. the 2008 Warrants, are 5-year warrants of New Microcell entitling the holders thereof to subscribe for Class A Restricted Voting Shares or Class B Non-Voting Shares, as the case may be, of New Microcell at an exercise price per share calculated by dividing \$550 million by the total number of Class A Restricted Voting Shares and Class B Non-Voting Shares outstanding on the Effective Date (calculated as if all of the First Instruments and Second Instruments outstanding on the Effective Date had been converted into Class A Restricted Voting Shares or Class B Non-Voting Shares, as the case may be, and as if all of the 2005 Warrants had been exercised), representing in the aggregate 20% of the equity of New Microcell on a fully-diluted basis (before the exercise of options pursuant to the New Stock Option Plan and the issuance of shares under the Stock Purchase Plan and assuming no other equity offerings, other than the exercise of 2005 Warrants).

16. The First Preferred Shares and the Second Preferred Shares may be redeemed, at any time, at New Microcell's option in exchange for first unit (the "First Units") and second units (the "Second Units")

For the purposes of this Application, the defined term "New Securities" includes the First Units and the Second Units.

17. A First Unit consists of:

(i) a first subordinated convertible 9% note in an amount equal to the redemption price per First Preferred Share as adjusted from time to time (with accrued and unpaid interest payable only at maturity) having the same terms and conditions as the First Preferred Shares (including as to the right to convert into Class A Restricted Voting Shares or Class B Non-Voting Shares and as to the application of Excess Cash Flow, as defined in the Circular) and a term to maturity equal to the term to maturity of the First Preferred Shares (or remainder thereof, as the case may be) and

(ii) one voting and non-dividend bearing First Preferred Share or one non-voting and non-dividend bearing First Preferred Share, as the case may be. The First Units shall be senior in right of payment to the Second Units.

18. A Second Unit consists of:

(i) a second subordinated convertible 9% note in an amount equal to the redemption price per Second Preferred Share as adjusted from time to time (with accrued and unpaid interest payable only at maturity) having the same terms and conditions as the Second Preferred Shares (including as to the right to convert into Class A Restricted Voting Shares or Class B Non-Voting Shares and as to the application of Excess Cash Flow, as defined in the Circular) and a term to

maturity equal to the term to maturity of the Second Preferred Shares (*or* remainder thereof, as the case may be) and

(ii) one voting and non-dividend bearing Second Preferred Share or one non-voting and non-dividend bearing Second Preferred Share, as the case may be. The Second Units shall be subordinate in right of payment to the First Units.

19. The Plan contemplates, *inter alia*, the following steps being taken on the effective date of the Plan (the "Effective Date"):

(i) the reorganization of the share capital of the Applicant which shall provide that the rights, privileges, restrictions and conditions of the shares in the capital of the Applicant will be amended to provide for a redemption right, exercisable at the option of the Applicant in consideration of the delivery by New Microcell of Class A Restricted Voting Shares, Class B Non-Voting Shares, 2005 Warrants and 2008 Warrants and a new class of non-redeemable common shares will be authorized;

(ii) the subscription by New Microcell for and the issuance by the Applicant of new non-redeemable common shares of the Applicant, the subscription price therefor being payable by way of a nominal cash consideration and the delivery by New Microcell of an undertaking to issue:

(A) to the existing shareholders of the Applicant the New Securities that they are entitled to receive under the Plan upon the redemption by the Applicant of all of its issued and outstanding shares (other than the new non-redeemable common shares); and

(B) to the Affected Unsecured Creditors, the New Securities that they are entitled to receive under the Plan;

(iii) the redemption by the Applicant of all of its issued and outstanding shares (other than the new non-redeemable common shares) in consideration for the New Securities to be issued to the existing shareholders of the Applicant under the Plan;

(iv) the cancellation of all issued and outstanding options or other rights to acquire shares of any of the Filing Entities without payment of any consideration (including any rights pursuant to any shareholders or other agreement, the articles of incorporation of the Applicant as amended, the existing stock option plan of the Applicant, the option plans of one of the Filing Entities, Microcell i5 Inc., or the key employee retention plan of the Applicant), as approved by the Court as part of the sanction order;

(v) the acquisition by New Microcell of claims of the Secured Creditors, and, in

(A) to the Canadian Secured Creditors, shares of a series of voting First Preferred Shares and of a series of voting Second Preferred Shares (being, FPV Shares and SPV Shares); and

(B) to the non-Canadian Secured Creditors, shares of a series of non-voting First Preferred Shares, shares of a series of voting First Preferred Shares, shares of a series of non-voting Second Preferred Shares and shares of a series of voting Second Preferred Shares (being FPNV shares, FPV Shares, SPNV Shares and SPV Shares);

(vi) the issuance by New Microcell to the Unsecured Creditors of:

(A) Class B Non-Voting Shares, 2005 Warrants, 2008 Warrants;
and

(B) SPNV Shares,

except that Class A Restricted Voting Shares and SPV Shares will be issued in lieu of Class B Non-Voting Shares and SPNV Shares respectively, to Unsecured Creditors who submit a residency declaration that they are Canadian (lots of 100 Class A Restricted Voting Shares may also be issued to non-Canadian Unsecured Creditors as distributions under the Plan at New Microcell's option, up to a maximum of 30,000 Class A Restricted Voting Shares);
and

(vii) the issuance by New Microcell to the existing shareholders of the Applicant of the New Securities as consideration for the redemption of the shares described in paragraph 19 (iii);

20. Only whole numbers of New Securities will be issued pursuant to the Plan and no compensation will be paid for fractional interests.

21. The Plan also provides for the adoption of the New Stock Option Plan, as well as the assumption by New Microcell of the existing stock purchase plan of Microcell (collectively, the "Incentive Plans").

22. The Incentive Plans will be submitted to the approval of the Secured Creditors and the Unsecured Creditors who will in turn, if the Plan is approved, own approximately 99% of the initially outstanding equity of New Microcell (assuming the conversion of Preferred Shares and, if applicable, Units); an application for exemptive relief will be filed, before the Effective Date, with the Jurisdictions for a decision providing that the issuance of securities under the Incentive Plans be exempted from the prospectus and dealer registration requirements and first trade restrictions contained in the Legislation.

23. The Plan also provides for the adoption of a new rights plan (the "New Rights Plan"). The objective of the New Rights Plan will be to ensure, to the extent possible, that all shareholders of New Microcell will be treated equally and fairly in connection with any take-over offer for New Microcell.

24. Pursuant to the New Rights Plan, one right (a "Right") will be issued in respect of each New Securities (other than the Warrants) outstanding as of the Effective Date, immediately following the implementation of the Plan. In addition, one Right will be issued for each additional New Securities (other than the Warrants) issued thereafter and prior to the earlier of:

(i) the separation time being the close of business on the tenth (10th) trading day after the earlier of:

(A) the first date of public announcement by New Microcell or a person making an unsolicited take-over bid for New Microcell (an "Acquiring Person") of the fact that a person has become an Acquiring Person,

(B) the date of the commencement of, or first public announcement of the intent of any person to commence, a take-over bid (other than a permitted bid under the provision of the New Rights Plan (a "Permitted Bid"); and

(C) the date on which a Permitted Bid or a Permitted Bid competing with a previously made Permitted Bid (a "Competing Bid") ceases to qualify as such, or such later date as may be determined by the board of Directors of New Microcell; or

(ii) the time at which the right to exercise Rights terminates under the New Rights Plan. Each Right initially enables the registered holder thereof to purchase from New Microcell one Class A restricted voting Share or one Class B Non-Voting Share, at a price of \$100 subject to certain anti-dilution adjustments.

25. An information circular and proxy statement (the "Circular") setting out the Plan procedure and providing details of the Plan has been mailed to the affected creditors of the Filing Entities in advance of the creditors' meetings to be held in accordance with the provisions of the CCAA and the court orders made under it. The creditors' meetings were held on March 17, 2003. At the Secured Creditors' meeting, 98% of the Secured Creditors who voted approved the Plan, representing 93% of the total value of the secured claims that were voted either in person or by proxy. Similarly, the Plan was also approved by 100% of the Affected Unsecured Creditors who voted at their respective meeting, representing 100% of the total value of the affected unsecured claims that were voted either in person or by proxy. On March 18, 2003, the Superior Court of Quebec, judicial District of Montreal, (the "Court") sanctioned the Plan.

26. There are or may be creditors and/or shareholders of the Filing Entities resident in each of the provinces of Canada. There are also creditors of the Filing Entities resident in the United States (the "U.S. Creditors").

27. The Applicant has applied to have the following New Securities listed on the TSX and has received a conditional approval to list the New Securities, namely:

- (i) First Preferred Shares, initially issuable as a series of FPV Shares and a series of FPNV Shares;
- (ii) Second Preferred Shares, initially issuable as a series of SPV Shares and a series of SPNV Shares;
- (iii) First Units and Second Units;
- (iv) Class A Restricted Voting Shares;
- (v) Class 8 Non-Voting Shares;
- (vi) 2005 Warrants; and (vii) 2008 Warrants.

28. Although the Applicant has retained financial advisors in connection with the Plan, no dealer or broker has been retained in connection with the distribution of the New Securities under the Plan.

29. The Applicant has determined that implementation of the Plan is necessary for the business of the Filing Entities to continue as going concerns.

30. Following implementation of the Plan, the business carried on by New Microcell will substantially be the same to the business carried on by the Applicant and its subsidiaries.

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 pursuant to the Legislation is that:

1. Other than in Ontario, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, the Registration and Prospectus Requirements contained in the Legislation shall not apply to the issuance, pursuant to the Plan, of the New Securities of New Microcell to the Secured Creditors, the Affected Unsecured Creditors of the Applicant and to its existing shareholders.

2. The first trade in New Microcell New securities acquired in connection with the Plan shall be deemed to be a distribution or primary distribution to the public under the Legislation unless, at the time of the trade;

(i) except in Quebec, if Multilateral Instrument 45-102 - Resale of Securities ("MI 45102"), the conditions in subsection (4) of section 2.6 of MI 45-102 are satisfied; and for the purpose of determining the period of time that New Microcell has been a reporting issuer under section 2.6, the period of time that the Applicant has been a reporting issuer may be included;

(ii) in Quebec, to the extent that there is no exemption available from the registration requirements and prospectus requirements in respect of the New Securities, the New Securities are not subject to the registration requirements and the prospectus requirements, provided that the issuer or one of the parties to the Plan (including, for greater certainty, the Applicant) is and has been a reporting issuer in Quebec in good standing for the twelve months immediately preceding the Effective Date (and for the purpose of determining the period of time that the issuer or one of the parties to the Plan has been a reporting issuer in Quebec, the period of time that the Applicant was a reporting issuer may be included); and no unusual effort is made to prepare the market or to create a demand for the New Securities.

3. Except for Ontario, in those Jurisdictions in which the Legislation contains the concept of a reporting issuer and provides the authority to deem or declare an issuer a reporting issuer, New Microcell shall be deemed or declared to be a reporting issuer as of the Effective Date.

4. In those Jurisdictions in which the Legislation does not contain the concept of a reporting issuer, New Microcell shall be made subject to the reporting requirements of such Jurisdictions as of the Effective Date.

5. Should the Ontario Securities Commission Rule 56-501 require that the issuance of restricted shares be approved by the minority shareholders of the Applicant, relieve the Applicant from the minority shareholders' approval requirement of the Policies.

Dated this 30 of April 2003

"Jos ~~Des~~Deslauriers"

Director of Capital Markets