

December 21, 2006

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF MANITOBA, NOVA SCOTIA AND NEWFOUNDLAND AND LABRADOR
(the "Jurisdictions")

AND

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

AND

IN THE MATTER OF SASKATCHEWAN WHEAT POOL INC.
(the "Applicant")

MRRS DECISION DOCUMENT

Background

1. The local securities regulatory authority or regulator (the "**Decision Maker**") in each of the Jurisdictions has received an application from the Applicant for a decision (the "**Requested Relief**") under the securities legislation of the Jurisdictions (the "**Legislation**") that the Applicant be exempt in all of the Jurisdictions from the requirement under the Legislation that a take-over bid circular, where it is anticipated by the offeror that a going private transaction will follow the take-over bid, contain a summary of a formal valuation of the offeree issuer (the "**Valuation Requirement**") in connection with the proposed offers (the "**Offers**") by the Applicant to purchase all of the outstanding limited voting common shares (the "**Common Shares**"), Series A convertible preferred shares (the "**Preferred Shares**") and 9% convertible unsecured subordinated debentures (the "**Debentures**" and, together with the Common Shares and the Preferred Shares, the "**Securities**") of the United Grain Growers Limited, carrying on business as Agricore United ("**Agricore**").

2. Under the Mutual Reliance Review System for Exemptive Relief Applications (the "**MRRS**"):

(a) the Manitoba Securities Commission is the principal regulator for this application; and

(b) this MRRS decision document evidences the decision of each Decision Maker.

Representations

3. This decision is based on the following facts represented by the Applicant:

- (a) The Applicant has commenced its Offers by mailing the Offers and a take-over bid circular (the "**Circular**"), prepared in compliance with the Legislation and the securities legislation of the provinces of Canada other than the Jurisdictions, to all holders of Securities.
- (b) The Applicant is a corporation incorporated under the *Canada Business Corporations Act* (the "**CBCA**").
- (c) The Applicant deals at arm's length with Agricore and does not currently own any Securities and has not been provided with the relevant information that would enable the Applicant to satisfy the Valuation Requirement (defined below).
- (d) The Applicant has no board or management representation in respect of Agricore, or after reasonable enquiry has no knowledge of any material information concerning Agricore or its securities that has not been generally disclosed.
- (e) The Offers represent a premium of approximately 13%, 45% and 5% over the respective closing prices of the Common Shares, Preferred Shares and Debentures on the last date on which each of the Securities was traded prior to the announcement of the Applicant's intention to make the Offers on November 7, 2006 and a premium of approximately 15%, 51% and 12% respectively over the volume-weighted average trading prices of the Common Shares, Preferred Shares and Debentures on Toronto Stock Exchange for the 20 trading days prior to the announcement of the Applicant's intention to make the Offers.
- (f) If the conditions of the Offers are satisfied and the Applicant takes up and pays for Securities validly deposited to the Offers, the Applicant currently intends to continue Agricore under the CBCA and to consider various means of acquiring, directly or indirectly, all of the Securities in accordance with applicable law including, by way of example by means of an arrangement, reclassification, consolidation, capital reorganization, amalgamation, merger or other combination of Agricore with the Applicant or one or more of the Applicant's affiliates, on such terms and conditions as the Applicant, at the time, believes to be appropriate (each, a "**Subsequent Acquisition Transaction**").
- (g) Under the Legislation, a take-over bid circular filed with the securities regulatory authorities where it is anticipated by the offeror that a going private transaction will follow the take-over bid must contain a summary of a formal valuation of the offeree issuer (the "**Valuation Requirement**").
- (h) The Applicant's intended Subsequent Acquisition Transaction is technically a "going private transaction" for the purposes of the Legislation, and therefore subjects the Circular to the Valuation Requirement.

(i) In connection with any Subsequent Acquisition Transaction, the Applicant intends to rely on the exemption available under subparagraph 4.4(1)5 of OSC Rule 61-501 from the formal valuation requirement, in that:

(i) the business combination in respect of Agricore will be effected by the Applicant or an affiliate of the Applicant following the formal bid constituted by the Offers and will be in respect of Securities that will be the subject of the bid contemplated by the Offers;

(ii) the business combination will be completed no later than 120 days after the expiry of the Offers;

(iii) the consideration per Security paid by the Applicant or an affiliate of the Applicant in the business combination will be:

(A) at least equal in value to the consideration per Security that is being paid by the Applicant under the Offers, and

(B) in the same form as the consideration per Security being paid by the Applicant under the Offers;

(iv) the intent of the Applicant to effect a business combination is disclosed in the Offers and Circular; and

(v) the Offers and Circular disclose:

(A) that if the Applicant acquires Securities under the Offers, the Applicant intends to acquire the remainder of the outstanding Securities under a Subsequent Acquisition Transaction, and

(B) the expected tax consequences of the Offers and the Subsequent Acquisition Transaction, to the extent the Applicant knows them.

(j) In those provinces of Canada that have a formal valuation requirement under their respective securities legislation, an exemption from the formal valuation requirement, similar to that which is available in connection with any Subsequent Acquisition Transaction under subparagraph 4.4(1)5 of OSC Rule 61-501, as described above, is available.

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 the Requested Relief is granted provided that the Applicant complies with the other requirements in the Legislation applicable to formal take-over bids.

Douglas R. Brown
Director Legal and Enforcement
The Manitoba Securities Commission