

IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
MANITOBA, ONTARIO AND NEW BRUNSWICK

AND

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

AND

IN THE MATTER OF  
SHIRE PHARMACEUTICALS GROUP PLC

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the Decision Maker or collectively the Decision Makers) in each of Manitoba, Ontario and New Brunswick (the Jurisdictions) has received an application from Shire Pharmaceuticals Group plc (the Company) to obtain relief from registration and prospectus requirements for employees of the Company or of its Canadian subsidiaries (including Shire BioChem Inc.) who have acquired shares of the Company under the Shire Pharmaceuticals Employee Stock Purchase Plan (the Plan) and who wish to sell such shares;

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

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

1. The Company is a United Kingdom corporation. The Company's principal corporate offices are located at East Anton, Andover, Hampshire, England, SP10 5RG. The Company conducts its business in Canada through its Canadian subsidiary, Shire BioChem Inc.
2. Shire BioChem Inc. was formerly known as BioChem Pharma Inc. On May 11, 2001, the Company indirectly acquired all of the outstanding common shares of BioChem Pharma Inc. by way of a plan of arrangement under Section 192 of the *Canada Business Corporations Act* (the Plan of Arrangement).
3. BioChem Pharma Inc. had been a reporting issuer in each Canadian jurisdiction that provides for a reporting issuer regime. As a result of the implementation of the Plan of Arrangement, the Company has become a reporting issuer in certain provinces.
4. On March 29, 2001, the Company was exempted, under certain conditions, from the application of the continuous disclosure requirements and insider reporting requirements of the

jurisdictions pursuant to a MRRS decision rendered by the *Commission des valeurs mobilières du Québec*.

5. As of March, 2002, the Company had approximately 482,597,639 Ordinary Shares (the Shares) issued and outstanding. The Shares are listed for trading on the London Stock Exchange (LSE) under the symbol "SHP.L"; the American depository shares of the Company (the ADSs) are quoted for trading on NASDAQ under the symbol "SHPGY".

6. The Company is subject to the applicable informational requirements in the United Kingdom and in the United States. To this date, the Company has filed all necessary and required reports under the *United States Securities Exchange Act of 1934*, as amended. The Company has also filed all documents required to be filed pursuant to the MRRS decision rendered by the *Commission des valeurs mobilières du Québec*.

7. The number of holders of Shares whose last address (as shown on the books of the Company) is in each of the Jurisdictions is not in excess of 10% of the outstanding Shares and does not represent more than 10% of the total number of holders of Shares.

8. The Plan permits any individual who is an employee of the Company or of a participating subsidiary (including Shire BioChem Inc.) and whose customary employment is at least twenty (20) hours per week and more than five (5) months in any calendar year (the Eligible Employees) to purchase Shares at a discounted price from fair market value through accumulated payroll deductions.

9. As of April 11, 2002, there were approximately one (1) Eligible Employee in Nova Scotia, one (1) Eligible Employee in New Brunswick, 487 Eligible Employees in Quebec, 21 Eligible Employees in Ontario, one (1) Eligible Employee in Manitoba, two (2) Eligible Employees in Alberta and four (4) Eligible Employees in British Columbia.

10. The maximum number of Shares which will be made available for sale under the Plan is 2,000,000 Shares. No options to purchase Shares will be granted under the Plan in any year which would cause the number of Shares issued or to be issued in pursuance of options granted under the Plan or under any other employees share scheme in that period of ten (10) calendar years ending with that year to exceed 10% of the Share capital of the Company in issue at that time.

11. From time to time, the Remuneration Committee of the Board of Directors of the Company (the Committee) shall establish an "Offering Period". The duration of an Offering Period may not exceed 27 months, and the Offering Periods will begin within the period of six (6) weeks commencing with the trading day next following the date on which the Company announces its results for any period or at any other time when the circumstances are considered by the Committee to be sufficiently exceptional to justify the beginning of an Offering Period.

12. Participation in the Plan is voluntary and Eligible Employees will not be induced to participate in the Plan or acquire Shares under the Plan by expectation of employment or

continued employment with the Company, any of its subsidiaries or any other affiliated entity of the Company.

13. An Eligible Employee may become a participant in the Plan by completing a subscription agreement authorizing payroll deductions and filing it with the Vice-President, Finance of the Company at least five (5) business days prior to the first day of the applicable Offering Period.

14. No Eligible Employee shall be granted an option under the Plan if, immediately after the grant, such Eligible Employee would own stock of the Company granting him or her 5% or more of the total combined voting power or value of all classes of stock of the Company or of any affiliate.

15. An Eligible Employee may withdraw all but not less than all the payroll deductions credited to his or her account at any time prior to the last business day of an Offering Period by giving written notice to the Company.

16. The purchase price for a Share will be at 85% of the fair market value of a Share on the first day of the Offering Period or on the last day of the Offering Period, whichever is lower. The number of Shares purchased by an Eligible Employee will be determined by dividing such Eligible Employee's payroll deductions accumulated and retained in the Eligible Employee's account by the applicable purchase price, provided however that an Eligible Employee must not purchase more than 7,000 Shares for each Offering Period.

17. Eligible Employees who have not withdrawn from the Plan will acquire Shares at the end of each Offering Period.

18. None of the rights under the Plan may be assigned, transferred, pledged or otherwise disposed of by the participant, except that the Shares may be distributed to beneficiaries designated in writing by the Eligible Employees (the Permitted Transferees) in the event of such Eligible Employees' death subsequent or prior to the end of an Offering Period.

19. Upon a participant ceasing to be an Eligible Employee due to termination (a Former Employee), or for any other reason, he or she will be deemed to have elected to withdraw from the Plan.

20. The distribution of Shares to Eligible Employees under the Plan qualifies for registration and prospectus exemptions in the Jurisdictions.

21. In order to enable Eligible Employees, Former Employees and Permitted Transferees to sell the Shares acquired under the Plan, however, relief from the registration and prospectus requirements is required under the legislation of the Jurisdictions.

22. The relief requested is consistent with past MRRS decisions: *Louisiana-Pacific Corporation* (2001), 24 OSCB 1780; *Commerce One* (2001), 23 OSCB 1373; *Compaq Computer Corporation* (2000) 24 OSCB 34.

23. The Company is not a reporting issuer in the Jurisdictions. The Shares currently trade on the LSE and the NASDAQ. There is no market for the Shares in Canada and none is expected to develop; therefore, any resale of the Shares acquired under the Plan will be effected through the facilities of a stock exchange or organized market outside of Canada on which the Shares may be listed or quoted for trading.

24. The Company is incorporated in a jurisdiction other than Canada, will be subject to the requirements of the *Securities Exchange Act* of 1934 and is not exempt from the reporting requirements of the *Securities Exchange Act* of 1934. All disclosure material relating to the Company furnished to security holders in the United States will be made available to holders of the Shares residing in the Jurisdictions.

25. Failure to grant the relief herein requested would require the Company to discontinue the operation of the Plan with respect to Eligible Employees in the Jurisdictions, thereby precluding such individuals from the opportunity of sharing in the financial success of the Company as contemplated by the terms of the Plan.

26. It would not be prejudicial to the public interest to permit Eligible Employees in the Jurisdictions to participate in the Plan in the same manner as employees of the Company or its affiliates who are resident in other countries.

THE DECISION of the Decision Makers pursuant to the Legislation is that Eligible Employees, Former Employees and Permitted Transferees who sell Shares acquired under the Plan are exempted from the registration and prospectus requirements.

July 24, 2002.

"Paul M. Moore"

"Harold P. Hands"

Headnote

MRRS - Relief from registration and prospectus requirements for trades involving employees, former employees and designated beneficiaries pursuant to equity investment plan - Relief from issuer bid requirements for acquisition by issuer of securities in connection with exercise mechanisms under equity investment plan - Issuer with *de minimis* Canadian presence.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am. ss. 25, 53, 35(1)(12)(iii), 72(1)(f)(iii), 74(1) and 144.

Policies Cited

Rule 45-503 - Trades to Employees, Executives and Consultants.