

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

AND

IN THE MATTER OF THE MUTUAL RELIANCE REVIEW  
SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS  
("MRRS")

AND

IN THE MATTER OF THE CONSOLIDATION OF THE OUTSTANDING COMMON  
SHARES OF SODISCO-HOWDEN GROUP INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia and Newfoundland (the "Jurisdictions") have received an application from Sodisco-Howden Group Inc. (the "Company") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the Company be exempt from the provisions in such Legislation relating to the delivery of an offer and issuer bid circular and any notices of change or variation thereto, minimum deposit periods and withdrawal rights, taking up and paying for securities tendered to an issuer bid, disclosure, restrictions upon purchases of securities, bid financing, identical consideration and collateral benefits (collectively, the "Issuer Bid Requirements") so as to authorise the Company to purchase fractional shares (the "Fractional Shares") resulting from the proposed consolidation of its outstanding common shares (the "Consolidation");

WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Commission des Valeurs mobilières du Québec is the principal regulator for this application;

WHEREAS the Company has represented to the Decision Makers that:

1.1 The Company is governed by Part IA of the *Companies Act* (Québec) and its head office is located at 1800, Marie-Victorin, Saint-Bruno, Québec, J3V 6B9.

1.2 The Company is a national distributor in the hardware and home renovation business.

1.3 The Company is a reporting issuer under the Legislations.

1.4 The authorised share capital of the Company consists of an unlimited number of first preferred shares issuable in series, of an unlimited number of second

preferred hares issuable in series and of an unlimited number of voting and participating common shares (the "Common Shares"), all without par value.

1.5 The Common Shares are listed and posted for trading on the Toronto Stock Exchange (the "TSE") under the symbol (SOD).

1.6 The financial year-end of the Company is December 31.

1.7 As of April 19, 2000, 398,150,009 Common Shares were issued and outstanding and no other preferred shares were issued and outstanding.

1.8 As of March 27, 2000, the Board of directors of the Company adopted a by-law approving the Consolidation on the basis of 20 outstanding Common Shares prior to the Consolidation for 1 Common Share after the Consolidation (a "New Common Share"). The by-law also provides that the Company will not issue Fractional Shares as a result of the consolidation. Instead, it will pay in cash the value of all fractional common shares resulting from the consolidation.

1.9 The Company's purchase for cash of the Fractional Shares constitutes an issuer bid for which no exemption is available in the Legislation from the Issuer Bid Requirements.

1.10 The shareholders of the Company will be asked to vote, and if thought fit, to approve the said by-law at the annual and special general meeting of the shareholders of the Company to be held on May 16, 2000.

1.11 If the Shareholders of the Company vote in favour of the Consolidation, the Common Shares will be consolidated and any Fractional Share resulting thereof will be purchased by the Company for cash.

WHEREAS pursuant to 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 authority to make the Decision has been met;

The Decision of the Decision Makers under the Legislation is to grant to the Company relief from complying with the applicable Issuer Bid Requirements with respect to the purchase of Fractional Shares outstanding as a result of the Consolidation.

May 17, 2000

Me Guy Lemoine

Viateur Gagnon

