

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF ALBERTA, MANITOBA, ONTARIO AND NOVA SCOTIA

AND

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

AND

IN THE MATTER OF TRANSACTION SYSTEMS ARCHITECTS, INC.,
TRANSACTION SYSTEMS ARCHITECTS NOVA SCOTIA COMPANY,
TSA EXCHANGE CO LIMITED AND MESSAGINGDIRECT LTD.

MRRS DECISION DOCUMENT

1. WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, Manitoba, Ontario and Nova Scotia (the "Jurisdictions") has received an application from Transaction Systems Architects, Inc. ("TSA"), Transaction Systems Architects Nova Scotia Company ("TSA Holdco"), TSA Exchangeco Limited ("TSA Exchangeco") and MessagingDirect Ltd. ("MDL") (collectively, the "Applicants") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that intended trades in securities made in connection with or resulting from the acquisition (the "Acquisition") by TSA and its affiliates of all of the Class A common shares of MDL (the "MDL Shares") are exempt from the registration and prospectus requirements of the Legislation (the "Registration and Prospectus Requirements");

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

3. AND WHEREAS it has been represented by the Applicants to the Decision Makers that:

3.1 TSA was incorporated under the laws of the State of Delaware. TSA is not a reporting issuer or its equivalent in any of the Jurisdictions and it is not anticipated that TSA will become a reporting issuer or its equivalent in any of the Jurisdictions;

3.2 the authorized share capital of TSA consists of 50,000,000 shares of Class A Common Stock (the "TSA Shares"), par value \$0.005 per share, 5,000,000 shares of Class B Common Stock ("TSA Class B Shares"), par value \$0.005 per share, and 5,450,000 shares of Preferred Stock ("TSA Preferred Shares"), par value

\$0.01 per share, of which 33,100,967 TSA Shares and no TSA Class B Shares or TSA Preferred Shares were issued and outstanding as of October 20, 2000;

3.3 the TSA Shares are quoted on the Nasdaq National Market ("Nasdaq") and TSA is subject to the reporting requirements of the United States *Securities Exchange Act of 1934*, as amended;

3.4 TSA Holdco is an unlimited liability company formed under the laws of the province of Nova Scotia and is not a reporting issuer or its equivalent in the Jurisdictions;

3.5 the authorized capital of TSA Holdco consists of 1,000,000 common shares, of which 100 common shares are currently issued and outstanding. TSA Holdco is a private company and is an indirect wholly-owned subsidiary of TSA;

3.6 TSA Exchangeco is a limited liability company incorporated under the laws of the province of Nova Scotia and is not a reporting issuer or its equivalent in the Jurisdictions;

3.7 the authorized capital of TSA Exchangeco currently consists of 1,000,000 common shares ("Exchangeco Common Shares") of which there are currently 100 common shares issued and outstanding all of which are held by TSA Holdco. TSA Exchangeco is a private company and is an indirect wholly-owned subsidiary of TSA;

3.8 in connection with the Acquisition, it is anticipated that TSA Exchangeco will amend its articles to create two new share classes. Upon amending its articles, it is anticipated that the authorized capital of TSA Exchangeco will consist of 1,000,000 Exchangeco Common Shares, 100,000,000 preferred shares ("Preferred Shares") and 100,000,000 exchangeable shares ("Exchangeable Shares"). It is anticipated that TSA Exchangeco will remain a private company and will continue to be an indirect subsidiary of TSA. The Exchangeable Shares will not be listed or quoted on any stock exchange or public market;

3.9 MDL was incorporated under the *Alberta Business Corporations Act*, as amended ("ABCA") and is a reporting issuer in Alberta, Manitoba and Ontario by virtue of a prospectus (the "Prospectus") filed in June of 2000 in connection with a special warrant financing;

3.10 the authorized capital of MDL consists of an unlimited number of MDL Shares, an unlimited number of class B preferred shares ("MDL Class B Shares") and an unlimited number of class C preferred shares ("MDL Class C Shares"). As of October 20, 2000, there were 18,569,163 MDL Shares and no MDL Class B Shares or MDL Class C Shares issued and outstanding;

3.11 the MDL Shares are not listed or quoted on any exchange or public market and only MDL Shares qualified for distribution pursuant to the Prospectus are freely tradable at this time;

3.12 MDL has adopted a stock option plan (the "MDL Option Plan") for its directors, officers, employees and others providing key services to MDL or its affiliates. Subject to adjustment as described in the MDL Option Plan, the MDL Option Plan permits the grant of options to ("MDL Options") to purchase up to 5,000,000 MDL Shares. As of October 20, 2000, MDL had 2,289,260 outstanding MDL Options under the MDL Option Plan permitting the holders thereof to purchase 2,289,260 MDL Shares in the aggregate;

3.13 in connection with a prior offering, MDL issued compensation warrants (the "Compensation Warrants") to Yorkton Securities Inc. (the "Agent") There are 666,700 Compensation Warrants outstanding exercisable for 666,700 MDL Shares at a price of 1.50 (US\$) per MDL Share;

3.14 pursuant to an agreement between MDL, Stonebridge Merchant Capital Corp. ("Stonebridge") and others, Stonebridge received options to acquire up to 1,174,000 MDL Shares, half of which remain outstanding and are exercisable for 587,000 MDL Shares (the "Stonebridge Options");

3.15 TSA, TSA Holdco, TSA Exchangeco and MDL have entered into a combination agreement (the "Combination Agreement") pursuant to which TSA will acquire, indirectly, all of the MDL Shares. The Acquisition is proposed to be effected by way of a plan of arrangement (the "Plan of Arrangement") under section 186 of the ABCA pursuant to which TSA, through TSA Holdco and TSA Exchangeco, will acquire all of the issued and outstanding MDL Shares in exchange for an aggregate of approximately 3,357,500 TSA Shares;

3.16 to effect the Plan of Arrangement, it is anticipated that a special meeting (the "Special Meeting") will be held on January 4, 2001 at which the holders (the "MDL Securityholders") of MDL Shares, MDL Options, Stonebridge Options and Compensation Warrants (collectively, "MDL Securities") will be asked to vote on the Plan of Arrangement. The Plan of Arrangement will need to be approved by at least 66 2/3% of the votes cast at the Special Meeting. Each holder of MDL Shares will be entitled to one (1) vote for each MDL Share held. Holders of MDL Options, holders of Compensation Warrants and holders of Stonebridge Options will be entitled to one (1) vote for each MDL Share underlying their MDL Options, Compensation Warrants and Stonebridge Options and will vote together with holders of MDL Shares as a single class;

3.17 in connection with the Special Meeting, MDL mailed to each MDL Securityholder on December 13, 2000, a notice of Special Meeting, form of proxy, and a management proxy circular (the "Circular"). The Circular contains prospectus-level disclosure of the business and affairs of MDL and the Plan of

Arrangement as well as partial disclosure of the business and affairs of TSA (the "TSA Disclosure"). The TSA Disclosure included historical financial data, management discussion and analysis and information about TSA's share capital;

3.18 of the MDL Shareholders resident in Canada, there are currently approximately ninety (90) MDL Shareholders resident in Alberta, one (1) resident in Manitoba and thirty-three (33) resident in Ontario;

3.19 certain MDL Securityholders (the "Principal Securityholders") holding voting rights in the aggregate equal to approximately 49.8% of voting rights attaching to the outstanding MDL Securities that will be eligible to vote at the Special Meeting have entered into a voting agreement (the "Principal Securityholders' Voting Agreement") with TSA, TSA Holdco and TSA Exchangeco (collectively, the "TSA Companies") pursuant to which the Principal Securityholders have agreed to:

3.19.1 vote their MDL Securities at the Special Meeting in favour of the Combination Agreement and any proposals to facilitate it;

3.19.2 vote against any action that could result in a breach by MDL under the Combination Agreement, any inconsistent or opposing proposal or any other Business Combination Transaction (as defined in the Combination Agreement);

3.19.3 irrevocably appoint certain TSA representatives as their attorneys in fact and proxies to vote in favour of the Combination Agreement at the Special Meeting and do all such things as reasonably required to support and implement the Plan of Arrangement and complete the transactions contemplated by the Combination Agreement;

3.19.4 not to sell, transfer, encumber or otherwise dispose of their MDL Securities or grant other proxies or enter into other voting agreements with respect to their MDL Shares; and

3.19.5 irrevocably appoint an agent (the "Shareholder Agent") as their agent with respect to the indemnification provisions of the Principal Securityholders' Voting Agreement and acknowledge that they will be bound by the provisions of the Escrow Agreement (defined below) which, when effective, will allow TSA to recover from the assets allocable to the Principal Securityholders in the Escrow Fund (defined below) with respect to their indemnification obligations in the Principal Securityholders' Voting Agreement;

3.20 Subject to the approval of the Plan of Arrangement by MDL Securityholders and the final order of the Court, and subject to the exercise of dissent rights and

requirements for the escrow of certain shares, at the effective date of the Plan of Arrangement (the "Effective Date"):

3.20.1 the MDL Stock Option Plan will be amended to permit acceleration of vesting of the MDL Options and the adoption of the MDL Stock Option Plan by TSA;

3.20.2 each Stonebridge Option and Compensation Warrant will be converted into and exchanged for MDL Shares equal to (i) the number of MDL Shares purchasable on the Effective Date pursuant to such Stonebridge Option or Compensation Warrant, as applicable, less (ii) the quotient derived by dividing (A) the aggregate exercise price for the MDL Shares purchasable under such Stonebridge Option or Compensation Warrant, by (B) the product derived by multiplying (I) the Exchange Ratio (as defined in the Combination Agreement) by (II) the Average Trading Price (as defined in the Plan of Arrangement);

3.20.3 each MDL Share held by a person who is not a resident of the United States will be exchanged for, at the election of the holder thereof, such number of TSA Shares or Exchangeable Shares or a combination thereof, as is calculated based on the Exchange Ratio. If no election is made, the MDL Shareholder will receive TSA Shares;

3.20.4 each MDL Share held by a person who is a resident of the United States will be exchanged for such number of TSA Shares as is calculated based on the Exchange Ratio;

3.20.5 each holder of MDL Shares who is resident in the United States and who received TSA Shares shall receive from TSA Exchangeco a pro rata portion of a pool of 200,000 TSA Shares (the "Pool Shares"). The 3,357,000 TSA Shares issuable in connection with the Plan of Arrangement include the Pool Shares;

3.20.6 each of the outstanding MDL Options will be converted into an option to purchase ("Replacement TSA Option") that number of TSA Shares equal to (i) the product of the number of MDL Shares subject to such MDL Option multiplied by the Exchange Ratio, less (ii) the quotient derived by dividing (A) the aggregate exercise price for the MDL Shares subject to such MDL Option by (B) the Average Trading Price; and

3.20.7 TSA will issue to and deposit with the trustee (the "Trustee") designated under a voting and exchange trust agreement (the "Voting and Exchange Trust Agreement") to be entered into

among the TSA Companies and the Trustee, one (1) share of Special Preferred Voting Stock of TSA (the "Special Voting Share") to be held for and on behalf of the holders of the Exchangeable Shares;

3.21 no holder of an MDL Share or MDL Option will be entitled to receive fractional shares as a consequence of any of the exchanges described in the foregoing paragraph. Instead, such holders will receive from TSA Exchangeco the number of TSA Shares or Exchangeable Shares as the holders are entitled to receive on the exchange of their MDL Shares rounded down to the nearest whole number of TSA Shares and/or Exchangeable Shares. Similarly, MDL Options on exchange will be rounded down to the nearest whole number of shares;

3.22 each holder of Exchangeable Shares (other than TSA and its affiliates) will be prohibited from trading any of his or its Exchangeable Shares other than as permitted pursuant to the terms of the Plan of Arrangement and the provisions of TSA Exchangeco's constating documents;

3.23 each holder of TSA Shares shall be prohibited from trading any of his or its TSA Shares except as specified in the Plan of Arrangement, namely, one-third (1/3) of a holder's TSA Shares may be traded after thirty (30) days following the Effective Date, one-third (1/3) may be traded after ninety (90) days following the Effective Date, and the remaining one-third (1/3) may be traded one hundred and eighty (180) days after the Effective Date, net of any Exchangeable Shares and TSA Shares held in escrow;

3.24 the Plan of Arrangement provides for the entering into of an escrow agreement (the "Escrow Agreement") among the TSA Companies, MDL Securityholders who receive either Exchangeable Shares or TSA Shares ("Indemnifying Securityholders"), an escrow agent (the "Escrow Agent") and the Shareholder Agent. Each of the Indemnifying Securityholders will indemnify TSA and its affiliates from losses suffered or incurred by them resulting from any inaccuracy or breach of a representation, warranty or covenant of MDL in the Combination Agreement as well as any transaction fees incurred by MDL in excess of C\$1.8 million;

3.25 any claims for indemnification are to be satisfied out of an escrow fund (the "Escrow Fund") to be established on the Effective Date consisting of 20% TSA Shares and Exchangeable Shares issuable pursuant to the Plan of Arrangement (collectively, the "Escrowed Shares") Each Indemnifying Securityholder will escrow 20% of his, her or its securities received at the closing of the Acquisition (the "Closing Date"). The Escrowed Shares are to be held in the Escrow Fund from the Closing Date until the first anniversary of the Effective Date, subject to a holdback for any unsettled claims. All exchanges and releases of the Escrowed Shares, as applicable, will be governed by the terms of the Escrow Agreement;

3.26 the Exchangeable Shares, together with the Voting and Exchange Trust Agreement, The Special Voting Share and the Support Agreement (as defined below) will provide holders with a security of a Canadian issuer having economic and voting rights that are, in all material respects, equivalent to those of TSA Shares;

3.27 the Exchangeable Shares will be non-voting (except as required by the rights, privileges, restrictions and conditions attaching to the Exchangeable Shares (collectively, the "Exchangeable Share Provisions") or by applicable law) and will be retractable at the option of the holder at any time;

3.28 the Exchangeable Shares will be exchangeable by a holder thereof for TSA Shares on a share-for-share basis at any time at the option of such holder and will be required to be exchanged upon the occurrence of certain events;

3.29 the Exchangeable Shares will rank prior to the TSA Exchangeco common shares and any other shares ranking junior to the Exchangeable Shares with respect to distribution of assets in the event of the liquidation, dissolution or winding up of TSA Exchangeco or any other distribution of the assets of TSA Exchangeco for the purpose of winding up its affairs;

3.30 each Exchangeable Share will entitle the holder to dividends from TSA Exchangeco payable at the same time as, and equivalent to, each dividend paid by TSA on a TSA Share. TSA Exchangeco will not pay a dividend on any shares ranking junior to the Exchangeable Shares if TSA Exchangeco is in default of any dividend obligations with respect to the Exchangeable Shares;

3.31 upon a proposed liquidation, dissolution or winding up of TSA Exchangeco or any other distribution of the assets of TSA Exchangeco for the purpose of winding up its affairs, TSA Holdco will have an overriding call right (the "Liquidation Call Right") to purchase all of the outstanding Exchangeable Shares from the holders thereof (other than TSA or its affiliates) for a price per share equal to the Current Market Price (as defined in the Exchangeable Share Provisions of a TSA Share, to be satisfied by delivery of one TSA Share, together with all declared and unpaid dividends on each such Exchangeable Share (the "Dividend Amount") and Fractional Share Amount (as defined in the Exchangeable Share Provisions) (collectively, the "Liquidation Amount");

3.32 subject to the "Liquidation Call Right, TSA or TSA Holdco on the liquidation, dissolution or winding up of TSA Exchangeco, or any other distribution of the assets of TSA Exchangeco for the purpose of winding up its affairs, a holder of Exchangeable Shares will be entitled to receive from TSA Exchangeco for each Exchangeable Share held an amount equal to the Liquidation Amount;

3.33 upon being notified by TSA Exchangeco of a proposed retraction of Exchangeable Shares, TSA or TSA Holdco will have an overriding call right (the "Retraction Call Right") to purchase from the holder all of the Exchangeable Shares that are the subject of the retraction notice for a price equal to the Current Market Price of a TSA Share, to be satisfied by delivery of one TSA Share, together with the Dividend Amount and Fractional Share Amount (collectively, the "Retraction Price");

3.34 subject to the overriding Retraction Call Right of TSA or TSA Holdco, upon retraction a holder will be entitled to receive from TSA Exchangeco for each Exchangeable Share retracted an amount per share equal to the Retraction Price;

3.35 upon being notified by TSA Exchangeco of a proposed redemption of Exchangeable Shares, TSA or TSA Holdco will have an overriding call right (the "Redemption Call Right") to purchase from the holders (other than TSA or its affiliates) all of the outstanding Exchangeable Shares for a price per share equal to the Current Market Price of a TSA Share, to be satisfied by the delivery of one TSA Share, plus the Dividend Amount and Fractional Share Amount (collectively, the "Redemption Price");

3.36 subject to the Redemption Call Right of TSA or TSA Holdco, TSA Exchangeco shall redeem all the Exchangeable Shares then outstanding on the fifth (5th) anniversary of the Effective Date (the "Redemption Date"). The board of directors of TSA Exchangeco may accelerate the Redemption Date in certain circumstances, including when the number of Exchangeable Shares outstanding is less than one-third (1/3) of the number of Exchangeable Shares issued on the Effective Date, and in connection with a TSA Control Transaction, a TSA Spin-Out Decision Date, an Exchangeable Share Voting Event and an Exempt Exchangeable Share Voting Event (as each such term is defined in the Exchangeable Share Provisions). Upon such redemption, a holder will be entitled to receive from TSA Exchangeco for each Exchangeable Share redeemed an amount equal to the Redemption Price;

3.37 TSA Exchangeco will be entitled, at its option, but subject to the consent of the holder of such Exchangeable Shares (the "Corporation Conversion Right"), to convert at any time any outstanding Exchangeable Shares into Exchangeco Common Shares;

3.38 upon the liquidation, dissolution or winding up of TSA, the Exchangeable Shares will be automatically exchanged for TSA Shares pursuant to the Voting and Exchange Trust Agreement, in order that holders of Exchangeable Shares may participate in the dissolution of TSA on the same basis as holders of TSA Shares pursuant to the Automatic Exchange Right, as described below. Upon the insolvency of TSA Exchangeco, holders of Exchangeable Shares may put their shares to TSA in exchange for TSA Shares;

3.39 the Special Voting Share will be issued to and held by the Trustee contemporaneously with the closing of the Plan of Arrangement. The Special Voting Share will carry a number of voting rights equal to the number of Exchangeable Shares outstanding from time to time that are not owned by TSA and its affiliates;

3.40 each voting right attached to the Special Voting Share will be exercised by the Trustee as instructed by the holders of the related Exchangeable Shares. In the absence of any voting instructions from a holder, the Trustee will not be entitled to exercise the related voting rights. The holders of the TSA Shares and the holder of the Special Voting Share shall vote together as a single class;

3.41 the Special Voting Share will not be entitled to participate on the dissolution of TSA. At such time as the Special Voting Share has no votes attached to it because there are no Exchangeable Shares outstanding not owned by TSA or any of its affiliates, the Special Voting Share will be canceled;

3.42 under the Voting and Exchange Trust Agreement, TSA will grant to the Trustee for the benefit of the holders of the Exchangeable Shares (other than TSA and its affiliates) an exchange right (the "Exchange Right"), exercisable upon a TSA Exchangeco Insolvency Event (as defined in the Voting and Exchange Trust Agreement), to require TSA to purchase from each holder of Exchangeable Shares all or any part of his or its Exchangeable Shares. The purchase price for each Exchangeable Share purchased by TSA will be an amount equal to the Current Market Price of a TSA Share, to be satisfied by the delivery to the Trustee, on behalf of the holder, of one TSA Share, together with the Dividend Amount and Fractional Share Amount;

3.43 under the Voting and Exchange Trust Agreement, upon the liquidation, dissolution or winding up of TSA or any other distribution of assets of TSA among its shareholders for the purpose of winding up its affairs, TSA will be required to purchase each outstanding Exchangeable Share, and each holder will be required to sell all of his or its Exchangeable Shares (such purchase and sale obligations referred to as the "Automatic Exchange Right"), for a purchase price per share equal to the Current Market Price of a TSA Share, to be satisfied by the delivery to the Trustee, on behalf of the holder, of one TSA Share, together with the Dividend Amount and Fractional Share Amount and, to the extent not paid by TSA Exchangeco, all dividends declared on the TSA Shares that have not been declared on such Exchangeable Shares or in respect of which economic equivalence has not been provided for in accordance with the Exchangeable Share Provisions;

3.44 contemporaneously with the closing of the Plan of Arrangement, the TSA Companies will enter into a support agreement (the "Support Agreement") which will provide that TSA will not declare or pay any dividend on the TSA Shares unless TSA Exchangeco simultaneously declares and pays an equivalent dividend

on the Exchangeable Shares, and that TSA will ensure that TSA Exchangeco and TSA Holdco will be able to honour the redemption and retraction rights and dissolution entitlements that are attributes of the Exchangeable Shares under the Exchangeable Share Provisions and the related Redemption, Retraction and Liquidation Call Rights described above;

3.45 in the event that a tender offer, share exchange offer, issuer bid or take-over bid or similar transaction with respect to the TSA Shares (an "Offer") is proposed by TSA or to TSA, and is recommended by or effected with the consent or approval of the board of directors of TSA, and the Exchangeable Shares are not redeemed by TSA Exchangeco or purchased by TSA or TSA Holdco pursuant to the Redemption Call Right or Automatic Exchange Rights, TSA will use its reasonable efforts to enable holders of Exchangeable Shares (other than TSA and its affiliates) to participate in such Offer on an economically equivalent basis to the manner in which the holders of the TSA Shares participate;

3.46 the Support Agreement will also provide that, without the prior approval of the holders of the Exchangeable Shares, actions such as distributions of stock dividends, options, rights and warrants for the purchase of securities or other assets, subdivisions, consolidations, reclassifications, reorganizations and other changes cannot be taken in most circumstances in respect of the TSA Shares without the same or an economically equivalent action being taken in respect of the Exchangeable Shares, which may include distributions of additional securities of TSA and/or TSA Exchangeco;

3.47 the Combination Agreement, the Exchangeable Share Provisions, the Voting and Exchange Trust Agreement, the Support Agreement, the MDL Option Plan, the Escrow Agreement and the transactions contemplated by the Plan of Arrangement will involve or may involve, among others, the following trades and transfers (collectively the "Trades"):

3.47.1 the issuance and intra-group transfers of TSA Shares and related issuances of shares of TSA affiliates to enable TSA Exchangeco to deliver TSA Shares in connection with the Plan of Arrangement or the operation of the Exchangeable Share Provisions and the Voting and Exchange Trust Agreement;

3.47.2 the exercise and delivery to MDL of each of the Stonebridge Options and Compensation Warrants by the holders thereof and the issuance and delivery by MDL of MDL Shares;

3.47.3 the issuance of Exchangeable Shares by TSA Exchangeco to MDL Shareholders in consideration for the MDL Shares;

3.47.4 the delivery of TSA Shares by TSA Exchangeco to MDL Shareholders in consideration for the MDL Shares;

3.47.5 the conversion of MDL Options into Replacement TSA Options and the issuance and delivery of TSA Shares to holders of Replacement TSA Options upon exercise;

3.47.6 the creation of the Liquidation Call Right, Redemption Call Right and Retraction Call Right in favour of TSA and TSA Holdco (collectively, the "Call Rights") in consideration for the Ancillary Rights (as defined below);

3.47.7 the grant by TSA to the Trustee for the benefit of the holders of the Exchangeable Shares of the Exchange Right, the Automatic Exchange Right and the voting rights pursuant to the Special Voting Share (the "Ancillary Rights") in exchange for the grant of the Call Rights;

3.47.8 the issuance by TSA of the Special Voting Share to the Trustee;

3.47.9 the issuance and intra-group transfers of TSA Shares and related issuances of shares of TSA affiliates and the delivery of TSA Shares by TSA Exchangeco to a holder of Exchangeable Shares upon the exchange, redemption or retraction of the Exchangeable Shares upon their terms;

3.47.10 the transfer of Exchangeable Shares by the holder to TSA Exchangeco upon the exchange, redemption or retraction of the Exchangeable Shares upon their terms;

3.47.11 the issuance and intra-group transfers of TSA Shares and related issuances of shares of TSA affiliates and to enable TSA Exchangeco to deliver TSA Shares to a holder of Exchangeable Shares and delivery of TSA Shares by TSA or TSA Holdco in connection with TSA's or TSA Holdco's exercise of the Call Rights;

3.47.12 the transfer of Exchangeable Shares by the holder to TSA or TSA Holdco upon TSA or TSA Holdco exercising the Call Rights;

3.47.13 the issuance and intra-group transfers of TSA Shares and related issuances of shares of TSA affiliates to enable TSA Exchangeco to deliver TSA Shares to a holder of Exchangeable Shares and the subsequent delivery upon the liquidation, dissolution or winding up of the TSA Exchangeco;

3.47.14 the transfer of Exchangeable Shares by holders to TSA Exchangeco on the liquidation, dissolution or winding up of TSA Exchangeco;

3.47.15 the issuance and delivery of Exchangeco Common Shares to TSA or an affiliate upon the exercise by TSA Exchangeco of the Corporation Conversation Right;

3.47.16 the transfer of Exchangeable Shares by TSA or an affiliate upon the conversion of Exchangeable Shares acquired by it into Exchangeco Common Shares;

3.47.17 the issuance and delivery of TSA Shares by TSA or TSA Holdco to holders of Exchangeable Shares pursuant to the Automatic Exchange Right;

3.47.18 the transfer of Exchangeable Shares by a holder to TSA or TSA Holdco pursuant to the Automatic Exchange Right;

3.47.19 the transfer by the Escrow Agent of Exchangeable Shares, TSA Shares or other securities to TSA or its affiliates in satisfaction of any Recovery Amounts out of the Escrow Fund; and

3.47.20 in the event of the reorganization of TSA Exchangeco and TSA Holdco whereby TSA or its affiliates may assume or succeed to the rights and obligations of TSA Exchangeco and TSA Holdco, some of the trades set forth above may be made with or by an affiliate of TSA other than TSA Exchangeco or TSA Holdco;

3.48 many of the foregoing Trades constitute "distributions" within the meaning of the Legislation and, accordingly are subject to the Registration and Prospectus Requirements;

3.49 following the completion of the Plan of Arrangement, TSA believes, after due inquiry, that Canadian resident holders of TSA Shares and Exchangeable Shares, counted together as a class, will not hold more than 10% of the sum of outstanding TSA Shares and Exchangeable Shares and will not represent in number more than 10% of the total number of beneficial holders of TSA Shares and Exchangeable Shares;

3.50 there is presently no public market in Canada for the TSA Shares and no such public market is expected to develop;

3.51 MDL Securityholders will make one fundamental investment decision when voting in respect of the Plan of Arrangement. If the Plan of Arrangement is approved by the requisite majority of MDL Securityholders, each MDL

Securityholder (other than a dissenting holder) will receive either Exchangeable Shares or TSA Shares in exchange for MDL Shares held by such holder and outstanding MDL Options will be converted into Replacement TSA Options;

3.52 TSA will send concurrently to all holders of Exchangeable Shares or TSA Shares resident in Canada all disclosure material furnished to holders of TSA Shares resident in the United States including, without limitation, copies of its annual financial statements and all proxy solicitation;

4. AND WHEREAS pursuant to the System, this Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

5. 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;

6. THE DECISION of the Decision Makers pursuant to the Legislation is that the Trades, when made pursuant to or in connection with the Plan of Arrangement, are not subject to the Registration and Prospectus Requirements, provided that:

6.1 the first trade in Exchangeable Shares or Replacement TSA Options, other than the exchange of Exchangeable Shares for TSA Shares or the exercise of Replacement TSA Options shall be a distribution or a primary distribution to the public, and;

6.2 the first trade in TSA Shares issued in connection with the Plan of Arrangement shall be a distribution or a primary distribution to the public unless such first trade is executed through the facilities of a stock exchange or market outside of Canada and the trade is made in accordance with the laws applicable to that exchange or market.

DATED at Calgary, Alberta this 10th day of January, 2001.

"original signed by"
Glenda A. Campbell, Vice-Chair

"original signed by"
Thomas D. Pinder, Member

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - relief from the requirements under sections 54 and 81 of the Alberta Act in connection with an arrangement conducted using a cross-border share exchange structure.

Applicable Alberta Statutory Provisions

Securities Act, S.A., 1981, c.S-6.1, as amended, s. 116(1).

