

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

AND

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

AND

IN THE MATTER OF
TVA ACQUISITION INC.

AND

IN THE MATTER OF
THE OFFER TO PURCHASE ALL OF THE OUTSTANDING CLASS A
MULTIPLE VOTING SHARES OF MOTION INTERNATIONAL INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, British Columbia, Manitoba, Nova Scotia, Ontario, Québec, Saskatchewan and Newfoundland (the "Jurisdictions") has received an application from TVA Acquisition Inc. (formerly 3701131 Canada Inc.) ("Bidco") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that in connection with the offer (the "Offer") to purchase all of the Class A Multiple Voting Shares (the "Shares") of Motion International Inc. ("Motion") at a price of \$5.45 per share (the "Offer Price"), payable in cash:

(1) despite the provision in the Legislation that prohibits an offeror who makes or intends to make a take-over bid or issuer bid and any person or company acting jointly or in concert with the offeror (a "Joint Actor") from entering into any collateral agreement, commitment or understanding with any holder or beneficial owner of securities of the offeree issuer that has the effect of providing the holder or owner a consideration of greater value than that offered to other holders of the same class of securities or create disparity among holders of that class (the "Prohibition on Collateral Agreements"):

(a) the agreement, dated March 28, 2000 (the "Domestic Sale Agreement"), pursuant to which Motion will (i) dispose, at or prior to the Offer, of the Canadian domestic production portion of its business (the "Domestic Assets") to 9088-4180 Quebec Inc. ("Acquisico"), a company whose voting shares are to be held by certain members of management of Motion (the "Management"), Telesystem

Financial Corporation ("TFC") and Capital Communications CDPQ Inc. ("CDPQ") (collectively, the "Acquisico Shareholders", and (ii) grant to Acquisico at the same time a license (the "License") to distribute in exclusivity the productions not included in the Domestic Assets for three consecutive periods of 25 years, is made for purposes other than to increase the value of the consideration paid to TFC and Management for their Shares and such agreement may be entered into; and

(b) the arrangements (the "Financial Arrangements") pursuant to which Acquisico will finance the purchase of the Domestic Assets and the Acquisico Shareholders will finance their purchase of voting shares of Acquisico are made for purposes other than to increase the value of the consideration paid to TFC and Management for their Shares and may be entered into; and

(2) despite the provision in the Legislation that prohibits an offeror, any Joint Actor, any securityholder of the offeror who, alone or in combination with others, holds a sufficient number of the offeror's securities to affect materially its control (a "Control Person") and any associate or affiliate of a Control Person from acquiring, in the period beginning with the expiry of the bid and ending at the end of the twentieth business day thereafter, securities of the same class subject to the bid by way of a transaction that is not generally available on identical terms to holders of that class of securities (the "Post-Bid Purchase Restrictions"), CDPQ may purchase for cash at the Offer Price all of the Shares held by TFC (the "TFC Block") and transfer such Shares together with the Shares already owned by CDPQ (the "CDPQ Block") to Bidco immediately prior to Bidco's take up of and payment for the Shares deposited under the Offer (the "Post-Bid Purchase and Transfer");

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

AND WHEREAS Bidco has represented to the Decision Makers that:

1. TVA Group Inc. ("TVA") was incorporated pursuant to the laws of Quebec and is a reporting issuer in all the Jurisdictions;
2. CDPQ was incorporated pursuant to the laws of Québec and is a wholly-owned subsidiary of the Caisse de dépôt et de placement du Québec;
3. Bidco was incorporated pursuant to the laws of Canada specifically for the purpose of making the Offer. The head office of Bidco is located in the province of Quebec;
4. Bidco is presently a wholly-owned subsidiary of TVA. Immediately before the take up and payment of the Shares tendered under the Offer, TVA will own 70% of the voting shares of Bidco and CDPQ will own 30% of the voting shares of Bidco;

5. Motion was continued under the laws of Canada and is a reporting issuer in Québec, Ontario and British Columbia;
6. The Shares are listed on the Toronto Stock Exchange under the symbol "MOT.A";
7. Bidco and TVA do not own any Shares;
8. CDPQ beneficially owns 3,595,264 Shares, representing approximately 14% of the outstanding shares (calculated on a fully diluted basis);
9. Acquisico was incorporated pursuant to the laws of Québec specifically to make the acquisition of the Domestic Assets;
10. On March 30, 2000, TVA announced its intention to launch the Offer through Bidco, with the participation of CDPQ, in order to purchase all the Shares (other than the Shares beneficially owned or controlled by Bidco, TVA, CDPQ and their affiliates) for cash at the Offer Price;
11. On April 12, 2000, Bidco launched the Offer;
12. The Offer is conditional upon certain events, including, without limitation, the valid deposit of at least 66 2/3% of the Shares issued and outstanding (calculated on a fully diluted basis), other than the Shares beneficially owned or controlled by Bidco, TVA, CDPQ and their affiliates. For the purposes of determining whether the 66 2/3% minimum deposit condition has been satisfied, the TFC Block acquired by Bidco outside of the Offer pursuant to the Post-Bid Purchase and Transfer shall be deemed to have been validly deposited under the Offer;
13. The Offer is conditional upon the disposition by Motion of the Domestic Assets to Acquisico and the grant of the License to Acquisico, at or prior to the expiry of the Offer;
14. On March 29, 2000, TVA entered into a support agreement with Motion, pursuant to which Motion, in particular, (i) represented having received a favorable fairness opinion from CIBC World Markets Inc. regarding the Offer, (ii) represented having determined that the Offer is in the best interest of Motion and its shareholders and (iii) agreed to recommend the acceptance of the Offer to its shareholders;
15. On March 29, 2000, TVA also entered into lock-up agreements (the "Lock-up Agreements") with each of TFC, Royal Bank Capital Corporation, Placement Gestmo Inc. and Astral Media Inc. (collectively, the "Locked-up Shareholders") in respect of all of their Shares being, respectively, on a fully diluted basis, 5,179,995 Shares, 1,345,910 Shares, 1,300,000 Shares and 1,143,174 Shares, and representing 45% of the outstanding Shares (calculated on a fully-diluted basis) not including the CDPQ Block. Pursuant to the Lock-up Agreements, TFC irrevocably agreed to sell the TFC Block to CDPQ for cash consideration equal to the Offer Price per Share and the other Locked-up Shareholders irrevocably agreed to tender under the Offer all of their Shares;

16. On or about March 17, 2000, the Board of Directors of Motion was informed of the potential transaction and appointed a committee of independent directors (the "Independent Committee") to review the proposed Offer and make its recommendation to the Board of Directors. The Independent Committee retained legal counsel, as well as retaining CIBC World Markets Inc. to act as its financial adviser, prepare a formal valuation of the Shares (the "Valuation"), provide an opinion to the Independent Committee as to the fairness from a financial point of view of the consideration to be offered to holders of Shares (the "Motion Shareholders") under the Offer and provide an opinion to the Independent Committee as to the consideration to be received by TFC and the Management in the Offer;

17. Upon the advice and recommendation of the Independent Committee, the Board of Directors of Motion has determined that the Offer is in the best interests of the shareholders and fair from a financial point of view. The Independent Committee has received a fairness opinion from CIBC World Markets Inc. dated March 29, 2000 to the effect that (a) the consideration offered under the Offer is fair from a financial point of view to the Motion Shareholders (other than TFC and CDPQ) and (b) the Management and TFC are not receiving for their Shares under the Offer a consideration greater than that offered to the other Motion Shareholders (other than CDPQ, TFC and the Management);

18. On March 28, 2000, TVA entered into (the Domestic Sale Agreement with Acquisico pursuant to which Motion will dispose of the Domestic Assets for an aggregate consideration of \$10 million. These transactions are made in order to preserve the rights of the Domestic Assets' owner to claim the full tax credits normally available in respect of the Domestic Assets and its entitlement to other government funding (such as Telefilm Canada) and to consolidate the exploitation of all domestic productions in one entity. If control of Motion were acquired by TVA, certain tax credits and other grants would be lost or reduced because of TVA's status as a broadcaster, therefore reducing the value of the Domestic Assets and jeopardizing their profitable operations;

19. The Financial Arrangements contemplate that (i) the Management will subscribe for 50% of the voting shares of Acquisico at a price of \$1 million, of which \$500,000 will be financed by TFC through loans to members of Management guaranteed by their voting shares of Acquisico, such loans bearing an annual interest rate of "prime" plus 2%; (ii) TFC will subscribe for the other 50% of the voting shares of Acquisico at a price of \$1 million; (iii) TFC will lend \$4 million to Acquisico under a subordinated unsecured debenture bearing an annual interest rate of 15% (out of this \$4 million, \$500,000 will be used for cash flow purposes) (the "TFC Loan"); (iv) another lender (the "Lender") will finance \$4.5 million with a secured loan to Acquisico bearing an annual interest rate of 6% (the "Secured Loan"), which will further provide that in case Acquisico proceeds with an offering of securities, 50% of the proceeds will be used to repay the Secured Loan and (v) following the closing of the Offer, CDPQ will acquire 50% of the equity and debt participations of TFC in Acquisico and thereafter, Management will remain with 50% of the voting rights and equity of Acquisico and TFC will own the remaining 25% of the voting rights and equity. Furthermore, the loan of \$4 million of TFC to Acquisico will be reduced to 2\$ million, the other \$2 million being provided by CDPQ;

20. Furthermore, one or more secured operating credit facilities totaling \$10 to \$11 million (the "Bank Facilities") will be provided to Acquisico by one or more yet to be identified Canadian chartered banks. In terms of ranking, the Bank Facilities will rank first and the Secured Loan second. TFC, therefore, will rank last among such creditors as an unsecured and subordinated creditor. Furthermore, the principal amount of \$4 million of the debenture will not be reimbursed before the principal and interest payable under the Secured Loan and the Bank Facilities are fully reimbursed and no interest will be paid to TFC on the TFC Loan unless interest is paid to the banks and the Lender under the Secured Loan and the Bank Facilities;

21. TFC holds (on a fully diluted basis) 5,179,995 Shares and Management holds (on a fully diluted basis) less than 1% of the issued and outstanding Shares;

22. The Domestic Sale Agreement and the Financial Arrangements have been or will be entered into for a valid business purpose unrelated to the ownership by TFC and the Management of Shares and not for the purpose of providing TFC or the Management with greater consideration for their Shares than the consideration to be received by the other Motion Shareholders;

23. It was initially contemplated that TVA and CDPQ were to fund Bidco with the necessary cash to pay for the Shares deposited under the Offer. However, any structure involving a cash investment by CDPQ in Bidco would create a significant tax adverse situation for Bidco. The transaction was thus structured in order that CDPQ's entire 30% participation in Bidco be provided through the transfer of Shares to Bidco;

24. More specifically, it has been determined that the only way of providing CDPQ with its 30% participation interest in Bidco (and therefore funding its part of the purchase price) would be to have CDPQ purchase and transfer into Bidco a sufficient number of Shares to finance its 30% interest in Bidco. Therefore, during the discussions between TVA, CDPQ and TFC in connection with the execution of the lock-up agreement of TFC, TFC irrevocably agreed to sell for cash, at the Offer Price, the TFC Block to CDPQ which will then immediately transfer the TFC Block, along with the CDPQ Block to Bidco in consideration for shares of Bidco, thereby funding its 30% participation interest in Bidco. Bidco would then immediately take up and pay for the Shares tendered under the Offer;

25. Such purchase by CDPQ of the TFC Shares and immediate transfer thereof (along with the CDPQ Shares) to Bidco will be made immediately and conditionally upon Bidco's take up of and payment for the Shares tendered under the Offer;

26. The Post-Bid Purchase and Transfer will not occur unless and until Bidco issues a news release disclosing that all of the terms and conditions of the Offer have been fulfilled or waived and disclosing the approximately number of Shares that have been deposited to the Offer and that will be taken up (the "News Release");

27. The Motion Shareholders will in no way be prejudiced by the Post-Bid Purchase and Transfer and by the granting of the relief sought, as their Shares will be taken up and paid for at the same price and on the same day at almost the same time as the purchase of the TFC Block by

CDPQ and the TFC Block's immediate subsequent transfer to Bidco (along with the CDPQ Block);

28. The sale of the TFC Block to CDPQ and the transfer thereof (along with the CDPQ Block) to Bidco immediately prior to the take-up and payment by Bidco of the Shares deposited under the Offer is necessary for business purposes related to the structuring and the making of the Offer and not for the purpose of increasing the value of the consideration to be paid to TFC for its Shares will not provide TFC with a benefit or other advantage not provided to other Motion Shareholders;

29. The take-over bid circular to be sent on Bidco's behalf in connection with the Offer to the Motion Shareholders will:

- (i) include the Valuation and a summary thereof; and
- (ii) disclose the particulars of the transactions contemplated by the Domestic Sale Agreement, the Financing Arrangements, the Lock-up Agreements and the Post-Bid Purchase and Transfer.

AND 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 pursuant to the Legislation is that (i) the Domestic Sale Agreement and the Financial Arrangements are made for purposes other than to increase the value of the consideration paid to TFC and the Management for their Shares and may be entered into notwithstanding the Prohibition on Collateral Agreements, and (ii) notwithstanding the Post-Bid Purchase Restrictions, CDPQ may effect the Post-Bid Purchase and Transfer, provided that (i) such Post-Bid Purchase and Transfer occurs after Bidco has issued and filed with the Decision Makers the News Release and (ii) immediately thereafter, Bidco takes up and pays for all of the Shares validly tendered under the Offer.

Me Guy Lemoine

Viateur Gagnon

May 2, 2000.