

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  
AND

IN THE MATTER OF  
UNIFOR? INC.  
MRRS DECISION DOCUMENT

**WHEREAS** the Canadian securities regulatory authority or regulator (the "Decision Makers") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia and Newfoundland (the "Jurisdictions") have received an application from Unifor? Inc. (the "Filer") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the Filer be exempted to comply with valuation requirements set forth in the Legislation;

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

**AND WHEREAS** the Filer has represented to the Decision Makers that:

1. The Filer is a corporation incorporated under the *Canada Business Corporations Act* (the "CBCA") and a reporting issuer in each of the Jurisdictions.
2. On February 18, 2000, the Filer stated that it did not expect to be able to meet its next interest payment relating to its US\$125,000,000 senior notes bearing 11 1/8% interest and due in 2006.
3. The Filer intends to launch an offer (the "Offer") to purchase all of its 8% convertible unsecured subordinated Debentures series A and B, maturing in 2006 (the "Debentures").
4. The Filer is incurring financial difficulties and might become insolvent in the near future.
5. If the restructuring of its long term debt does not proceed, the Filer could be placed into receivership or bankruptcy, and the Debenture holders would receive substantially less than the par value of the Debentures, if any.

6. In connection with the Offer, the Filer will distribute to the holders of the Debentures an information circular which will contain the required disclosure under the Legislation.

7. The Debentures are convertible at the holders option into subordinated voting shares of the Filer (in the case of Debentures series A) or into multiple voting shares of the Filer (in the case of Debentures series B) at any time before maturity at a conversion price of \$6.00 per share.

8. The Offer document will not be mailed to holders of subordinate voting shares and multiple voting shares of the Filer

9. On March 22, 2000, the last full trading day prior to the exemption application of the Filer, the closing price of the subordinate voting shares on The Toronto Stock Exchange was \$1.25 and the subordinate voting shares have traded on that day in a range of \$1.10 to \$1.35.

10. The Debentures have certain similarities to debt securities not convertible into securities representing an interest in the share capital of the Filer (or debt securities not convertible into securities of the Filer other than debt securities) for the reason that the conversion of the Debentures into shares will not be economically viable for a holder of Debentures.

11. The value of the Debentures is derived primarily from their interest rates and the principal amount of debt they represent. A valuation would only be necessary to determine the value of the conversion feature of the Debentures. At the time of the launching of the Offer, the amount offered to a Debenture holder will be at least equal to the amount such Debenture holder would realize upon exercise of the conversion rights attached to the Debentures, based on the weighted average closing price of the subordinate voting shares on the TSE on the last seven (7) full trading days prior to the launching of the Offer.

12. The Filer could not afford the cost of a valuation and does not have enough time to prepare such valuation.

**AND WHEREAS** pursuant to the System this MRRS Decision Document evidences the decision of each Decision Maker (collectively the "Decision");

**AND WHEREAS** the Decision Makers are of the opinion that it would not be prejudicial to the public interest to grant this decision;

**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;

**THE DECISION** of the Decision Makers pursuant to the Legislation is that the Filer is exempted to comply with valuation requirements set forth in the Legislation in each of the Jurisdictions with respect to the Offer.

This application for an exemption is granted on the following conditions:

i) that a description of the characteristics of the US\$125,000,000 senior notes bearing 12.125% interest and maturing in 2006 and the incentives to be offered to holders of the said notes be fully disclosed in the issuer bid circular for the 8% convertible unsecured subordinate series A and B debentures;

ii) that *Unifor Inc.* disclose in its issuer bid circular the name of the holders of 8% convertible unsecured subordinate series A and B debentures who will exercise their conversion right and their reasons for so doing; and

iii) that *Unifor Inc.* insert in its issuer bid circular a section or paragraph informing the holders of 8% convertible unsecured subordinate series A and B debentures that all information relating to the said securities or to the affairs of the Corporation which could affect the value of their securities has been disclosed in the issuer bid circular as of the date thereof.

DATED at Montreal, Quebec, this 18 day of April, 2000.

Jacques Labelle  
Name:  
Executive Director  
Title: