

IN THE MATTER OF THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, QUEBEC,
NEW BRUNSWICK, PRINCE EDWARD ISLAND, NOVA SCOTIA, NEWFOUNDLAND,
THE YUKON TERRITORY, THE NORTHWEST TERRITORIES AND NUNAVUT

AND

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

AND

IN THE MATTER OF
VIVENDI S.A., VIVENDI UNIVERSAL HOLDINGS COMPANY, VIVENDI UNIVERSAL
EXCHANGE CO INC. AND THE SEAGRAM COMPANY LTD.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Prince Edward Island, Nova Scotia, Newfoundland, the Yukon Territory, the Northwest Territories and Nunavut (collectively, the "Jurisdictions") has received an application from Vivendi S.A. (the "Filer"), on behalf of itself, Vivendi Universal Holdings Company ("Holdings") and Vivendi Universal Exchangeco Inc. ("Exchangeco"), for a decision pursuant to the securities legislation, regulations and/or rules of the Jurisdictions (the "Legislation") that:

- (a) The requirements contained in the Legislation to be registered to trade in a security (the "Registration Requirements") and to file a preliminary prospectus and a prospectus and receive receipts therefor prior to distributing a security (the "Prospectus Requirements") shall not apply to certain trades and/or distributions of securities in connection with the proposed transactions (the "Transactions") involving the Filer, The Seagram Company Ltd. ("Seagram") and Canal Plus S.A. ("Canal"), to be effected by way of a plan of arrangement (the "Arrangement") under section 192 of the Canada Business Corporations Act, as amended (the "CBCA");
- (b) the requirements contained in the Legislation to issue a press release and file a report upon the occurrence of a material change (the "Material Change Reporting Requirements"), to file and deliver an annual report, where applicable, to file and deliver interim and annual financial statements, and to file an information circular (collectively, the "Continuous Disclosure Requirements") shall not apply to Exchangeco;
- (c) the requirement contained in the Legislation for an insider of a reporting issuer to file reports disclosing the insider's direct or indirect beneficial ownership of, or

control or direction over, securities of the reporting issuer (the "Insider Reporting Requirements") shall not apply to each insider of Exchangeco and its successors.

(d) the requirements in the Legislation of Ontario and Nova Scotia regulating the purchase by an issuer of its own securities and the reporting of such purchases (the "Issuer Bid Requirements") and the Registration Requirements and Prospectus Requirements in those Jurisdictions shall not apply to the purchase by Exchangeco of exchangeable shares of Exchangeco owned by Holdings in exchange for common shares or preferred shares of Exchangeco.

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario 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 public company in France, the shares of which are listed on the Paris Bourse. The Filer's registered office is located in Paris, France, and it is not a reporting issuer or the equivalent under the Legislation.
2. The Filer is subject to the reporting requirements of the Commission des Operations de Bourse (the "COB") and the Paris Bourse. The Filer is subject to the reporting requirements of the United States Securities Exchange Act of 1934, as amended.
3. As at October 2, 2000, the authorized capital of the Filer consisted of ordinary shares of nominal value of EURO 5.50 each, of which 605,945,528 ordinary shares were issued and outstanding (which includes ordinary shares held in treasury by the Filer or its subsidiaries).
4. Holdings is an indirect wholly-owned subsidiary of the Filer incorporated under the Company Act (Nova Scotia), has its registered office in Halifax, Nova Scotia, and is not, and does not intend to become a reporting issuer or the equivalent under the Legislation. Holdings was incorporated in order to hold all of the common shares of Exchangeco and to hold the various call rights related to the exchangeable non-voting shares of Exchangeco to be issued pursuant to the Arrangement (the "Exchangeable Shares").
5. The authorized capital of Holdings consists of 1,000,000 common shares. Upon completion of the Arrangement, all of the issued and outstanding common shares of Holdings will be held indirectly by Vivendi Universal S.A.
6. Exchangeco is a direct wholly-owned subsidiary of Holdings incorporated under the CBCA, its registered office is located in Toronto, Ontario, and it is not currently a reporting issuer or the equivalent under the Legislation. Exchangeco was incorporated for the purpose of implementing the Arrangement.

7. The authorized share capital of Exchangeco consists of an unlimited number of common shares. The articles will be amended prior to implementation of the Arrangement to authorize the issuance of the Exchangeable Shares and one or more classes of preference shares.

8. Upon completion of the Arrangement, Exchangeco will become a reporting issuer under the Legislation, and immediately following completion of the Arrangement all of the outstanding common shares in the capital of Exchangeco will be held by Holdings and all of the outstanding Exchangeable Shares will be held by those holders of the Seagram Common Shares who validly elect to receive Exchangeable Shares in exchange for their Seagram Common Shares under the Arrangement. Exchangeco's only material assets upon completion of the Arrangement will be the Seagram Common Shares acquired by it under the Arrangement.

9. Seagram is incorporated under the CBCA, has its registered office in Waterloo, Ontario, is a reporting issuer or the equivalent under the Legislation and is not on the list of defaulting reporting issuers maintained by the Decision Makers.

10. Seagram's authorized capital consists of an unlimited number of common shares and an unlimited number of preferred shares. As at October 24, 2000, there were issued and outstanding 444,026,907 Seagram Common Shares and no preferred shares.

11. As at September 30, 2000, Seagram had outstanding options (the "Seagram Options") to acquire an aggregate of not more than 41,893,366 Seagram Common Shares.

12. As at September 30, 2000, there were issued and outstanding Seagram stock appreciation rights (the "Seagram SARs") relating to not more than 836,499 Seagram Common Shares. As of May 31, 2000, Seagram was obligated to issue up to 20,025,000 Seagram Common Shares in respect of "Seagram ACES" (which are the 18,500,000 7.5% Adjustable Conversion Rate Security Units issued by Seagram and a subsidiary of Seagram). Seagram and a subsidiary of Seagram have announced that they intend to launch a tender offer for the Seagram ACES.

13. The Seagram Common Shares are listed on the New York, Toronto and London Stock Exchanges.

14. The Filer, Canal, Sofi_羅S.A. ("Sofi_羅"), Exchangeco and Seagram have entered into a merger agreement made as of June 19, 2000 (the "Merger Agreement"). Sofi_羅 is a wholly-owned subsidiary of the Filer. Canal is a public company 49 percent of the ordinary shares of which are owned directly and indirectly by the Filer and which is engaged in the production, marketing and distribution of subscription television services, the production of films and programs and the development of digital television technology, internet and interactive services.

15. Pursuant to the Merger Agreement and related agreements, (i) the Filer will merge with and into Sofi_竹 with Sofi_羅 being renamed Vivendi Universal S.A. ("Vivendi Universal"), (ii) Vivendi Universal will acquire the non-regulated businesses of Canal, (iii) the French regulated businesses of Canal will be retained by the existing shareholders of Canal, and (iv) Vivendi Universal will indirectly acquire the outstanding capital stock of Seagram pursuant to the Plan of Arrangement.

16. Vivendi Universals capital will consist of ordinary shares (the "Vivendi Universal Shares"). Vivendi Universal will become subject to the reporting requirements of the United States *Securities Exchange Act of 1934*, as amended, as a result of the merger of the Filer into Sofi

17. The Vivendi Universal Shares will be listed on the *Premier Marché* of the Paris Bourse.

18. Vivendi Universal will also list American Depositary Shares (the "Vivendi Universal ADSs") on the New York Stock Exchange, Inc. (the "NYSE"). Each Vivendi Universal ADS will represent one Vivendi Universal Share. Applications will be made as required by Vivendi Universal to the NYSE to list the Vivendi Universal ADSs issued pursuant to the Arrangement or issuable from time to time in exchange for Exchangeable Shares or upon exercise of any convertible securities.

19. Vivendi Universal has filed a registration statement on Form F-4 with the SEC in respect of the Vivendi Universal Shares to be issued under the Arrangement and related transactions.

20. The Merger Agreement also provides for the completion of the Arrangement, pursuant to which Vivendi Universal, through Exchangeco and Holdings, will acquire all of the issued and outstanding Seagram Common Shares (other than those held by dissenting shareholders entitled to be paid fair value and those held by Vivendi Universal or any affiliate thereof).

21. On the Arrangement becoming effective, the steps described below will occur:

(a) Each Seagram Common Share, other than (i) Seagram Common Shares held by Seagram Shareholders who are eligible to and who elect to receive Exchangeable Shares ("Exchangeable Elected Shares"), (ii) Seagram Common Shares held by Seagram Shareholders exercising their dissent rights who are ultimately entitled to be paid the fair value of the Seagram Common Shares held by them, and (iii) Seagram Common Shares held by Vivendi Universal or any affiliate thereof which shall not be exchanged under the Arrangement and shall remain outstanding as Seagram Common Shares held by Vivendi Universal or any affiliate thereof, will be transferred by the holder thereof to Holdings in exchange for that number of Vivendi Universal ADSs equal to the exchange ratio (the "Exchange Ratio", defined as the number (rounded down to the nearest ten-thousandth) determined by dividing (i) U.S. \$77.35 by (ii) the Average Market Price (as defined below) provided, however, that if the Average Market Price is equal to or greater than U.S. \$124.3369, the Exchange Ratio shall be .6221, and if the Average Market Price is equal to or less than U.S. \$96.6875, the Exchange Ratio shall be .8000. The Average Market Price is the average of the closing price of Vivendi shares (rounded to the nearest one-hundredth of a cent) on the Paris Bourse during the 20 consecutive trading days, ending on the third complete trading day prior to the date on which the certificate is issued under the CBCA for the Articles of Arrangement (the "Effective Date") converted to U.S. dollars.

(b) Each Exchangeable Elected Share will be transferred by the holder thereof to Exchangeco in exchange for (i) that number of Exchangeable Shares equal to the

Exchange Ratio (as it may be adjusted), and (ii) that number of voting rights (the "Vivendi Universal Voting Rights", which are each an "action en nue propri^é" under French law, which represents one vote on the same basis and in the same circumstances as one Vivendi Universal Share) equal to the number of Exchangeable Shares issued pursuant to the foregoing clause (i), which Vivendi Universal Voting Rights Vivendi Universal shall transfer to the custodian (the "Custodian") for and on behalf of the holders of the Exchangeable Shares issued pursuant to the foregoing clause (i), and coincident with such transfer Vivendi Universal, Exchangeco and the Custodian shall enter into the custody agreement (the "Custody Agreement") (as more fully described in paragraph 37 below).

(c) Coincident with the transfer of Exchangeable Elected Shares to Exchangeco, Vivendi Universal, Exchangeco and the trustee (the "Trustee") will enter into an exchange trust agreement (the "Exchange Trust Agreement") and all rights of holders of Exchangeable Shares under the Exchange Trust Agreement shall be received by them as part of the property receivable by them in exchange for the Exchangeable Elected Shares so transferred.

(d) Each Seagram Option outstanding on the Effective Date, will be exchanged for an option from Vivendi Universal or Seagram (a "Replacement Option") to purchase the number of Vivendi Universal ADSs equal to the product of the Exchange Ratio multiplied by the number of Seagram Common Shares that may be purchased as if such Seagram Option were exercisable and exercised immediately prior to the Effective Time and the option exercise price shall be adjusted accordingly. (Each Replacement Option shall be non-transferable except by will or the laws of descent and distribution.)

(e) Each Seagram SAR outstanding on the Effective Date will be exchanged for a stock appreciation right from Vivendi Universal or Seagram (a "Replacement SAR") in respect of the number of Vivendi Universal ADSs equal to the product of the Exchange Ratio multiplied by the number of Seagram Common Shares that were the subject of the Seagram SARs immediately prior to the Effective Time and the SAR exercise price shall be adjusted accordingly. (Each Replacement SAR shall be non-transferable except by will or the laws of descent and distribution.)

22. With respect to each of the Seagram ACES outstanding on the Effective Date, the purchase contract forming part of such unit will become a purchase contract for Vivendi Universal ADSs.

23. The maximum number of Exchangeable Shares to be issued under the Arrangement is limited to 97,000,000. If the number of Exchangeable Shares issuable exceeds 97,000,000, the number of Exchangeable Shares issued to each person electing to receive Exchangeable Shares will be adjusted to reflect the 97,000,000 maximum that is available and the number of Vivendi Universal ADSs for which an Exchangeable Share is exchangeable will be appropriately increased.

24. *The Exchangeable Shares are intended to be substantially the economic equivalent of the Vivendi Universal ADSs for which the Exchangeable Shares issuable under the Arrangement (the "Exchangeable Shares") will ultimately be exchanged.*

25. *The Toronto Stock Exchange (the "TSE") has conditionally approved the listing of the Exchangeable Shares.*

26. *The required approval of the Seagram Shareholders to the Arrangement will be obtained by way of special resolution, as defined under the CBCA, at a meeting of the Seagram Shareholders (the "Meeting") in accordance with the provisions of the interim order (the "Interim Order") obtained from the Superior Court of Justice (Ontario) (the "Court"). Each Seagram Shareholder will be entitled to one vote for each Seagram Common Share held.*

27. *In connection with the Meeting, Seagram has sent a management proxy circular (the "Circular") to the Seagram Shareholders. The Circular is included in the form of the Form F-4 registration statement filed by Vivendi Universal with the SEC. The Circular contains prospectus-level disclosure of the business and affairs of the Filer, Vivendi Universal and Seagram and a detailed description of the Arrangement.*

28. *The Exchangeable Shares, together with the Exchange Trust Agreement, the Custody Agreement, and the Support Agreement described below, will provide holders thereof with securities having substantially equivalent economic rights to those of a Vivendi Universal ADS. The creation of the Vivendi Universal Voting Rights will provide the holders of Exchangeable Shares with voting rights on the same basis and in the same circumstances as the Vivendi Universal Shares. Exchangeable Shares will be received by certain holders of Seagram Common Shares on a Canadian tax-deferred basis (provided appropriate tax elections are filed) and, if such shares are listed on a prescribed stock exchange (which currently includes the TSE), the Exchangeable Shares will be "qualified investments" and will not constitute "foreign property", in each case, under the Income Tax Act (Canada), as amended. The Exchangeable Shares will be exchangeable by a holder thereof for Vivendi Universal ADSs on a one-for-one basis (subject to adjustment) at any time at the option of such holder and will be required to be exchanged upon the occurrence of certain events.*

29. *The Exchangeable Shares are entitled to a preference over common shares and any other shares ranking junior to the Exchangeable Shares, with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of Exchangeco. The rights, privileges, restrictions and conditions attaching to the Exchangeable Shares (the "Exchangeable Share Provisions") provide that each Exchangeable Share will entitle the holder to a dividend from Exchangeco payable at the same time as, and economically equivalent to, each dividend paid by Vivendi Universal on a Vivendi Universal ADS. Subject to the overriding call right of Holdings referred to below, on the liquidation, dissolution or winding-up of Exchangeco, a holder of Exchangeable Shares will be entitled to receive from Exchangeco for each Exchangeable Share held an amount equal to the current market price of a Vivendi Universal ADS (as adjusted, if necessary) which shall be satisfied by delivery of one Vivendi Universal ADS (as adjusted, if necessary) (the "Vivendi Universal ADS Consideration") to the holder, together with all declared and unpaid dividends on each such Exchangeable Share*

(such aggregate amount, the "Liquidation Amount"). Upon a proposed liquidation, dissolution or winding-up of Exchangeco, Holdings will have an overriding call right (the "Liquidation Call Right") to purchase all of the outstanding Exchangeable Shares from the holders thereof (other than Vivendi Universal or its affiliates) for a price per share equal to the Liquidation Amount to be satisfied in the manner described in this paragraph.

30. The Exchangeable Shares will be non-voting (except as required by the Exchangeable Share Provisions or by applicable law) and will be retractable at the option of the holder at any time. Subject to the overriding call right of Holdings, upon retraction the holder will be entitled to receive from Exchangeco for each Exchangeable Share retracted an amount equal to the current market price of a Vivendi Universal ADS (as adjusted, if necessary), to be satisfied by the delivery of the Vivendi Universal ADS Consideration, together with, on the designated payment date therefor and to the extent not already paid by Exchangeco on a dividend payment date, an amount equal to all declared and unpaid dividends on each such retracted Exchangeable Share (such aggregate amount, the "Retraction Price"). Holdings 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 delivered by the holder for a price per share equal to the Retraction Price to be satisfied in the manner described in this paragraph unless the holder withdraws the notice of retraction.

31. Subject to the overriding call right of Holdings referred to below, Exchangeco shall redeem all the Exchangeable Shares then outstanding on the date established by the Board of Directors (the "Redemption Date", which shall be no earlier than the thirtieth anniversary of the date which is fourteen days prior to the Effective Date). The board of directors may accelerate the Redemption Date in certain circumstances, including if there are outstanding fewer than 5% of the actual number of Exchangeable Shares to be issued as determined at the "Election Deadline" (at 5:00 p.m. (Toronto time) at the place of deposit three business days prior to the Meeting), other than Exchangeable Shares held by Vivendi Universal and its affiliates. Upon such redemption, a holder will be entitled to receive from Exchangeco for each Exchangeable Share redeemed an amount equal to the current market price of a Vivendi Universal ADS (as adjusted, if necessary) which shall be satisfied by delivery of the Vivendi Universal ADS Consideration to the holder, together with, to the extent not already paid by Exchangeco on a dividend payment date, an amount equal to all declared and unpaid dividends on each such redeemed Exchangeable Share (such aggregate amount, the "Redemption Call Purchase Price"). Holdings will have an overriding call right (the "Redemption Call Right") to purchase from the holders all of the outstanding Exchangeable Shares (other than those owned by Vivendi Universal or its affiliates) for a price per share equal to the Redemption Call Purchase Price to be satisfied in the manner described in this paragraph upon being notified by Exchangeco of a proposed redemption of Exchangeable Shares.

32. Under the Exchange Trust Agreement, Vivendi Universal will grant to the Trustee for the benefit of the holders of the Exchangeable Shares the right (the "Exchange Right"), exercisable upon certain events related to the insolvency or bankruptcy of Exchangeco, to require Vivendi Universal to purchase from a holder of Exchangeable Shares all or any part of its Exchangeable Shares. The purchase price for each Exchangeable Share purchased by Vivendi Universal will be an amount equal to the current market price of a Vivendi Universal ADS (as adjusted, if

necessary) which shall be satisfied by delivery of the Vivendi Universal ADS Consideration to the holder, together with an amount equal to all declared and unpaid dividends on such Exchangeable Share, to be satisfied by the delivery of this aggregate amount to the Trustee on behalf of the holder.

33. Under the Exchange Trust Agreement, upon the liquidation, dissolution or winding-up of Vivendi Universal, Vivendi Universal will be required to purchase each outstanding Exchangeable Share, and each holder will be required to sell all of its Exchangeable Shares (such purchase and sale obligations are hereafter referred to as the "Automatic Exchange Right"), for a purchase price per share equal to the current market price of a Vivendi Universal ADS (as adjusted, if necessary) which shall be satisfied by delivery of the Vivendi Universal ADS Consideration to the holder, together with an amount equal to all declared and unpaid dividends on each such Exchangeable Share, to be satisfied by the delivery of this aggregate amount to the Trustee, on behalf of the holder.

34. The creation of the Vivendi Universal Voting Rights provides each holder of an Exchangeable Share with the right to vote at a Vivendi Universal shareholder meeting on the same basis and in the same circumstances as if the holder held one Vivendi Universal Share. To create the Vivendi Universal Voting Rights, Vivendi Universal will split shares held in treasury, as is permitted under French law, into bare legal title ("action en nue propri^é") and beneficial ownership ("usufruit"). The action en nue propri^é will be transferred to the Custodian.

35. The Vivendi Universal Voting Rights will carry a number of voting rights, exercisable at any meeting of the holders of Vivendi Universal Shares, equal to the number of Exchangeable Shares outstanding from time to time that are not owned by Vivendi Universal and its affiliates. Holders of Exchangeable Shares will exercise the voting rights attached to the Vivendi Universal Voting Rights through the mechanism of the Custody Agreement described below.

36. Under the terms of the agreement under which the Vivendi Universal Voting Rights are transferred to the Custodian, the Vivendi Universal Voting Rights are surrendered to Vivendi Universal when the holders of the corresponding Exchangeable Shares receive Vivendi Universal ADSs in exchange therefor, upon the retraction or redemption of the Exchangeable Shares, the exercise of the Exchange Right, the occurrence of the Automatic Exchange Right, the liquidation, dissolution or winding up of Exchangeco, or the exercise of the Retraction Call Right, the Redemption Call Right, or the Liquidation Call Right by Holdings.

37. Under the terms of the Custody Agreement, each voting right attached to the Vivendi Universal Voting Rights must be voted by the Custodian pursuant to the instructions of the holder of the related Exchangeable Share. In the absence of any such instructions from a holder, the Custodian will not be entitled to exercise the related voting rights.

38. Contemporaneously with the closing of the Arrangement, Vivendi Universal, Exchangeco and Holdings will enter into a support agreement (the "Support Agreement"). The Support Agreement will provide that Vivendi Universal will not declare or pay any dividend on the Vivendi Universal ADSs unless Exchangeco simultaneously declares and pays an equivalent dividend on the Exchangeable Shares, and that Vivendi Universal will ensure that Exchangeco

and Holdings 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.

39. The Support Agreement will also provide that, without the prior approval of Exchangeco and 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, combinations, reclassifications, reorganizations and other changes cannot be taken in respect of the Vivendi Universal ADSs generally without the same or an economically equivalent action being taken in respect of the Exchangeable Shares.

40. The steps under the Arrangement and the exercise of certain rights provided for in the Exchangeable Share Provisions, the Exchange Trust Agreement, the Custody Agreement and the Support Agreement involve or may involve a number of trades and/or distributions of securities, including trades and/or distributions related to the issuance of Exchangeable Shares pursuant to the Arrangement or upon the issuance of Vivendi Universal ADSs in exchange for Exchangeable Shares. The trades and/or distributions and possible trades and/or distributions in securities to which the Arrangement gives rise are the following:

(a) the issuance or transfer of Vivendi Universal ADSs to Holdings and the subsequent transfer by Holdings of Vivendi Universal ADSs to holders of Seagram Common Shares or, at the direction of Holdings, the issuance or transfer of Vivendi Universal ADSs to holders of Seagram Common Shares, in either case, in connection with the Arrangement;

(b) the transfer of Seagram Common Shares by Seagram Shareholders (other than those validly electing to receive Exchangeable Shares, those validly exercising their right of dissent, and those held by Vivendi Universal or any of its affiliates) to Holdings;

(c) the transfer of Seagram Common Shares by validly electing Seagram Shareholders to Exchangeco, and the issuance of Exchangeable Shares by Exchangeco to such holders in return;

(d) the exchange of Seagram Options for Replacement Options to be granted by either Seagram or Vivendi Universal and the issuance and delivery of Vivendi Universal ADSs to a holder of a Replacement Option upon the exercise thereof;

(e) the exchange of Seagram SARs for Replacement SARs to be granted by either Seagram or Vivendi Universal and the issuance and delivery of Vivendi Universal ADSs to a holder of a Replacement SAR upon the exercise thereof;

(f) the issuance and delivery of Vivendi Universal ADSs to the holders of the Seagram ACESs under the purchase contracts that form part of the Seagram ACES;

(g) the grant by Vivendi Universal of the Exchange Right and the Automatic Exchange Right to the Trustee under the Exchange Trust Agreement for the benefit of holders of Exchangeable Shares, pursuant to the Exchange Trust Agreement;

(h) the transfer by Vivendi Universal to the Custodian of the Vivendi Universal Voting Rights for the benefit of the holders of the Exchangeable Shares;

(i) the surrender of the Vivendi Universal Voting Rights to Vivendi Universal upon the exercise of the Exchange Right by the holders of Exchangeable Shares, the occurrence of the Automatic Exchange Right, the retraction or redemption of the Exchangeable Shares under the Exchangeable Share Provisions, the liquidation, dissolution or winding up of Exchangeco, or upon the exercise by Holdings of the Retraction Call Right, the Redemption Call Right, or the Liquidation Call Right;

(j) the issuance by Vivendi Universal of Vivendi Universal ADSs to a holder of Exchangeable Shares upon the exercise of the Exchange Right or pursuant to the Automatic Exchange Right;

(k) the transfer of Exchangeable Shares by a holder to Vivendi Universal upon the exercise of the Exchange Right or pursuant to the Automatic Exchange Right;

(l) the grant of the Liquidation Call Right to Holdings to purchase all of the outstanding Exchangeable Shares from the holders of such shares upon a proposed liquidation, dissolution or winding-up of Exchangeco;

(m) the grant of the Retraction Call Right to Holdings to purchase from a holder of Exchangeable Shares all of the Exchangeable Shares of such holder that are the subject of a retraction notice;

(n) the grant of the Redemption Call Right to Holdings to purchase all of the outstanding Exchangeable Shares from the holders of such shares upon notice from Exchangeco of a proposed redemption of Exchangeable Shares;

(o) the issuance or transfer of Vivendi Universal ADSs to Vivendi Exchangeco and the subsequent transfer thereof by Exchangeco to a holder of Exchangeable Shares or the issuance or transfer of Vivendi Universal ADSs to Holdings and the subsequent transfer thereof by Holdings to Exchangeco and the transfer by Exchangeco to a holder of Exchangeable Shares, in either case, upon the

(i) retraction of the Exchangeable Shares,

(ii) redemption of the Exchangeable Shares, and

(iii) liquidation, dissolution or winding-up of Exchangeco;

(p) the transfer of Exchangeable Shares by the holder thereof to Exchangeco upon the

- (i) retraction of the Exchangeable Shares,*
- (ii) redemption of the Exchangeable Shares, and*
- (iii) liquidation, dissolution or winding-up of Exchangeco;*

(q) the issuance or transfer of Vivendi Universal ADSs to Holdings and the subsequent transfer thereof by Holdings to a holder of Exchangeable Shares or, at the direction of Vivendi Holdings, the issuance or transfer of Vivendi Universal ADSs to a holder of Exchangeable Shares, in either case, upon exercise of the

- (i) Retraction Call Right*
- (ii) Redemption Call Right*
- (iii) Liquidation Call Right;*

(r) the transfer of Exchangeable Shares by the holder to Holdings upon Holdings exercising the

- (i) Retraction Call Right*
- (ii) Redemption Call Right*
- (iii) Liquidation Call Right;*

(s) any intra-group transfers of Vivendi Universal Shares and Vivendi Universal ADSs and issuances of shares of Vivendi Universal affiliates in connection with any of the transactions referred to in the foregoing paragraphs (a) to (r); and

(t) the issuance and delivery of Vivendi Universal Shares to enable the creation and issuance of the applicable Vivendi Universal ADSs, or upon the exchange of Vivendi Universal ADSs for Vivendi Universal Shares in accordance with the terms of the Vivendi Universal ADSs;

(collectively, "the Trades")

41. The fundamental investment decision to be made by a Seagram Shareholder is made at the time of the Meeting, when such holder votes in respect of the Arrangement. As a result of this decision, such holder (other than a holder who validly exercises its right of dissent) receives Exchangeable Shares or Vivendi Universal ADSs in exchange for the Seagram Common Shares of such holder. The Exchangeable Shares may, at the holder's option, be retracted for Vivendi Universal ADSs. As the Exchangeable Shares will provide certain Canadian tax benefits to certain Canadian holders but will otherwise be substantially the economic equivalent of the Vivendi Universal ADSs and the Vivendi Universal Voting Rights will provide holders of Exchangeable Shares with voting rights on the same basis and in the same circumstances as the Vivendi Universal Shares, all subsequent exchanges of Exchangeable Shares are in furtherance of the holder's initial investment decision at the time of the Meeting. That investment decision will be made on the basis of the Circular, which will contain detailed disclosure of the business

and affairs of each of Vivendi, Vivendi Universal and Seagram and of the particulars of the Arrangement.

42. If not for Canadian income tax considerations, Canadian resident holders of Seagram Common Shares could have received Vivendi Universal ADSs without the option of receiving Exchangeable Shares. The option in favour of certain holders of Seagram Common Shares to receive Exchangeable Shares under the Arrangement will enable them to defer certain Canadian income tax that would otherwise arise on the exchange of Seagram Common Shares for Vivendi Universal ADSs and, if the Exchangeable Shares are listed on a prescribed stock exchange in Canada, permit them to hold property that is a "qualified investment" and is not foreign property under the Income Tax Act (Canada).

43. As a result of the substantial economic equivalency between the Exchangeable Shares and the Vivendi Universal ADSs and the creation of the Vivendi Universal Voting Rights, holders of Exchangeable Shares will have a participating interest determined by reference to Vivendi Universal, rather than Exchangeco or its successors. Accordingly, it is the information relating to Vivendi Universal, not Exchangeco or its successors, that will be relevant to holders of both the Vivendi Universal ADSs and the Exchangeable Shares. Certain information required to be provided in respect of Exchangeco or its successors as a reporting issuer under the Legislation would not be relevant (and would arguably be misleading) to the holders of Exchangeable Shares.

44. Vivendi Universal will send to all holders of Exchangeable Shares contemporaneously all disclosure material furnished to holders of Vivendi Universal ADSs resident in the United States including, without limitation, copies of its annual and semi-annual financial statements and all notices prepared in connection with Vivendi Universal's shareholder meetings.

45. Vivendi Universal will send to all holders of Vivendi Universal ADSs and Vivendi Universal Shares resident in Canada contemporaneously all disclosure material furnished to holders of Vivendi Universal ADSs resident in the United States or to holders of Vivendi Universal Shares resident in France, as the case may be, including, without limitation, copies of its annual and semi-annual financial statements and all notices prepared in connection with Vivendi Universal's shareholder meetings.

46. The Circular discloses that, in connection with the Arrangement, applications have been made for prospectus, registration and resale exemptions and exemptions from disclosure and insider reporting obligations. The Circular specifies the disclosure requirements from which Exchangeco has applied to be exempted and identifies the disclosure that will be made in substitution therefor if such exemptions are granted.

47. For tax reasons, it is anticipated that subject to applicable law, Holdings will exercise the Redemption, Retraction and Liquidation Call Rights available on each occasion when such rights are available.

48. *It may be advantageous from both a tax and an administrative perspective for Exchangeco to purchase from Holdings, from time to time, all the Exchangeable Shares held by Holdings as a result of the exercise of these rights.*

49. *The purchase price to be paid by Exchangeco to Holdings for the Exchangeable Shares will be the fair market value of the Exchangeable Shares on the date of purchase and the purchase price will be satisfied by the issue of common shares or preferred shares of Exchangeco.*

50. *It is intended that Exchangeco will immediately cancel any Exchangeable Shares it purchases from Holdings.*

51. *Such purchases will constitute issuer bids under the Legislation in Ontario and Nova Scotia and will not be exempt from the Issuer Bid Requirements under the Legislation in those Jurisdictions.*

52. *The issuance by Exchangeco of common shares or preferred shares to Holdings will be a distribution for purposes of the Legislation in Ontario and Nova Scotia and will not be exempt in Nova Scotia from the Registration and Prospectus Requirements.*

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 jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers pursuant to the Legislation is that:

1. The Registration Requirements and Prospectus Requirements shall not apply to the Trades, provided that:

1.1 The first trade in the Exchangeable Shares acquired pursuant to this Decision in a Jurisdiction shall be deemed a distribution or a primary distribution to the public under the Legislation of such Jurisdiction (the "Applicable Legislation") unless:

(a) at the time of the first trade, Exchangeco is a reporting issuer or the equivalent under the Legislation of the Jurisdiction in which the trade takes place (the "Applicable Legislation") or where the Applicable Legislation does not recognize the status of a reporting issuer, the requirements described in paragraph 2 below are met;

(b) no unusual effort is made to prepare the market or to create a demand for the Exchangeable Shares;

(c) no extraordinary commission or consideration is paid to a person or company in respect of the trade;

(d) if the seller of the securities is an insider or officer of Exchangeco, the seller has no reasonable grounds to believe that Exchangeco is in default of any requirement of the Applicable Legislation; and

(e) except in Quebec, the first trade is not from the holdings of a person or company or a combination of persons or companies holding a sufficient number of any securities of Vivendi Universal (with Exchangeable Shares counted as securities of Vivendi Universal) so as to affect materially the control of Vivendi Universal, or more than 20% of the outstanding voting securities of Vivendi Universal except where there is evidence showing that the holding of those securities does not affect materially the control of Vivendi Universal, unless:

(i) if applicable, Exchangeco is a reporting issuer or the equivalent under the Applicable Legislation and is not in default of any requirement thereof;

(ii) the seller files with the applicable Decision Maker(s) and any other stock exchange recognized by such Decision Maker(s) for this purpose on which the Exchangeable Shares are listed at least seven days and not more than fourteen days prior to such first trade:

(A) a notice of intention to sell in the form prescribed by the Applicable Legislation for control block distributions (the "Control Block Rules") disclosing particulars of the control position known to the seller, the number of Exchangeable Shares to be sold and the method of distribution; and

(B) a declaration signed by the seller as at a date not more than twenty-four hours prior to its filing and prepared and executed in accordance with the Control Block Rules and certified as follows:

"the seller for whose account the securities to which this certificate relates are to be sold hereby represents that the seller has no knowledge of any material change which has occurred in the affairs of the issuer of the securities which has not been generally disclosed and reported to the securities regulatory authority in the Jurisdiction where the trade takes place, nor has the seller any knowledge of any other

material adverse information in regard to the current and prospective operations of the issuer which have not been generally disclosed",

provided that the notice required to be filed under section 1.1(e)(ii)(A) and the declaration required to be filed under section 1.1(e)(ii)(B) shall be renewed and filed at the end of sixty days after the original date of filing and thereafter at the end of each twenty-eight day period so long as any of the Exchangeable Shares specified under the original notice have not been sold or until notice has been filed that the Exchangeable Shares so specified or any part thereof are no longer for sale;

(iii) the seller files with the applicable Decision Maker(s) within three days after the completion of any such first trade, a report of the trade in the form prescribed by the Applicable Legislation;

(iv) no unusual effort is made to prepare the market or to create a demand for the Exchangeable Shares and no extraordinary commission or other consideration is paid in respect of such first trade; and

(v) the seller (or affiliated entity) has held the Exchangeable Shares and/or Seagram Common Shares, in the aggregate, for a period of at least six months, provided that if:

(A) the Applicable Legislation provides that upon a seller to whom the Control Block Rules apply acquiring additional securities of a class pursuant to certain prescribed exemptions from prospectus requirements under such legislation, all securities of such class are subject to a hold period commencing the date the last security of the class was acquired under such prescribed exemptions; and

(B) the seller acquires Exchangeable Shares pursuant to any such prescribed exemptions;

then all Exchangeable Shares held by the seller will be subject to such hold period commencing on the date any such subsequent Exchangeable Shares are so acquired; and

1.2 the first trade in Vivendi Universal ADSs acquired pursuant to one of the Trades in a Jurisdiction and the first trade in Vivendi Universal Shares received upon the exchange of Vivendi Universal ADSs for Vivendi Universal Shares in accordance with the terms of the Vivendi Universal ADSs shall be deemed a distribution or a primary distribution to the public under the Applicable Legislation unless such first trade is executed on an exchange or market outside of Canada.

2. The Continuous Disclosure Requirements shall not apply to Exchangeco and the Insider Reporting Requirements shall not apply to an insider of Exchangeco other than a director or senior officer of Vivendi Universal for so long as:

(i) Vivendi Universal sends to all holders of Exchangeable Shares contemporaneously all disclosure material furnished to holders of Vivendi Universal ADSs resident in the United States, including, without limitation, copies of its annual financial statements and all notices prepared in connection with Vivendi Universal's shareholder meetings;

(ii) Vivendi Universal files with the Decision Makers copies of all documents required to be filed by it with the United States Securities and Exchange Commission under the United States Securities Exchange Act of 1934, as amended, including, without limitation, copies of any Form 20-F, Form 6-K and proxy solicitation materials prepared in connection with Vivendi Universal's shareholders' meetings;

(iii) Vivendi Universal complies with the requirements of the NYSE in respect of making public disclosure of material information on a timely basis and forthwith issues in Canada and files with the Decision Makers any such press release that discloses a material change in Vivendi Universal's affairs;

(iv) Exchangeco complies with the Material Change Reporting Requirements in respect of material changes in the affairs of Exchangeco that would be material to holders of Exchangeable Shares but would not be material to holders of Vivendi Universal ADSs;

(v) the Circular includes a statement that, as a consequence of this Decision, Exchangeco and its insiders will be exempt from certain disclosure requirements in Canada applicable to reporting issuers and their insiders and specifying those requirements Exchangeco and its insiders have been exempted from and identifying the disclosure that will be made in substitution therefor;

(vi) Vivendi Universal includes in all future mailings of proxy solicitation materials (if any) to holders of Exchangeable Shares a clear and concise statement explaining the reason for the mailed material being solely in relation to Vivendi Universal and not in relation to Exchangeco, such statement to include a reference to the substantial economic equivalency between the Exchangeable Shares and the Vivendi Universal ADSs and the manner in which the Vivendi

Voting Rights are exercisable at meetings of holders of Vivendi Universal Shares pursuant to the Custody Agreement;

(vii) Vivendi Universal remains the direct or indirect beneficial owner of all the issued and outstanding common shares of Exchangeco; and

(viii) Vivendi Universal's annual audited financial statements are reconciled to U.S. GAAP (or international GAAP, if this becomes acceptable in Canada) in its Form 20-F or equivalent documents and such reconciliation is audited;

(ix) except for securities issued to Vivendi Universal or to wholly-owned subsidiaries of Vivendi Universal, Exchangeco does not issue any securities to the public other than the Exchangeable Shares and dividends and distributions thereon in accordance with the provisions thereof; and

(x) all filing fees that would otherwise be payable by Exchangeco in connection with the Continuous Disclosure Requirements are paid.

IT IS ALSO THE DECISION of the Decision Makers in Ontario and Nova Scotia pursuant to the Legislation in those jurisdictions that the Issuer Bid Requirements and the Registration and Prospectus Requirements shall not apply to the purchase by Exchangeco of Exchangeable Shares of Exchangeco owned by Holdings in exchange for common shares or preferred shares of Exchangeco.

DATED at Toronto on this 6th day of December, 2000.

"R. W. Davis" "Robert W. Korthals"

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - relief granted, subject to certain conditions, from the prospectus and registration requirements in respect of trades in connection with a statutory arrangement.

Reporting issuer exempted from certain continuous disclosure and insider reporting requirements subject to certain conditions. Disclosure required to be provided by these provisions would not be meaningful to shareholders.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 25, 35(1)15.i, 53, 72(1)(i), 72(5), 74(1), 75, 77, 78, 79, 80(b)(iii), 81(2), 107, 108, 109, 121(2)(a)(ii).

Applicable Ontario Rules

Rule 45-501 Exempt Distributions.

