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Headnote

Mutual Reliance Review System for Exemptive Relief Application - prospectus and registration relief granted to a foreign issuer in relation to an offer to acquire all of the outstanding stock options of a Canadian affiliate made contemporaneously with a take-over bid of the affiliate by a wholly-owned subsidiary of the foreign issuer - relief granted for issuances by the foreign issuer of options and shares on the exercise of options to former employees and directors of the Canadian affiliate

Applicable British Columbia Provisions

Securities Act, R.S.B.C.1996, c. 418. ss. 48 and 76

IN THE MATTER OF THE SECURITIES LEGISLATION OF BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, QUÉBEC, NEW BRUNSWICK, NOVA SCOTIA, AND NEWFOUNDLAND AND LABRADOR

AND

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

AND

IN THE MATTER OF E. I. DU PONT DE NEMOURS AND COMPANY

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”) in each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Québec, Ontario, Nova Scotia, Newfoundland and Labrador, and New Brunswick (collectively, the “Jurisdictions”) has received an application from E. I. du Pont de Nemours and Company (the “Filer” or “EID”) for a decision under the securities legislation of the Jurisdictions (the “Legislation”) that the requirements contained in the Legislation to be registered to trade in a security (the “Registration Requirements”) and to file and obtain a receipt for a preliminary prospectus and prospectus (the “Prospectus Requirements” and together with the Registration Requirements, the “Registration and Prospectus Requirements”) shall not apply to certain trades by the Filer, Merrill Lynch, Pierce, Fenner & Smith Incorporated (the “Administrator”) and DuPont Canada Inc. option holders who are resident in the Jurisdictions (the “Option Holders”);

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AND WHEREAS under 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 Delaware corporation. The Filer operates globally, manufacturing a wide range of products for distribution and sale to many different markets, including the transportation, textile, construction, motor vehicle, agricultural, home furnishings, medical, packaging, electronics and the nutrition and health markets.
2. The authorized share capital of EID consists of 1,164,048,508 shares of common stock (the “EID Shares”), par value U.S. \$0.30 per share. As at March 31, 2003, approximately 1,083,007,081 EID Shares were issued and outstanding.
3. As at March 31, 2003, there were 281 registered holders of EID Shares resident in Canada (representing 0.25% of the total number of registered stock holders) and holding in aggregate 170,487 EID Shares (representing 0.02% of the total issued and outstanding EID Shares).
4. EID is not a reporting issuer, or the equivalent, under the securities legislation of any province or territory of Canada and EID has no intention of becoming a reporting issuer, or the equivalent, in any such province or territory.
5. The EID Shares are listed on the New York Stock Exchange (the “NYSE”) under the symbol “DD”.
6. There is presently no market in Canada for any securities of the Filer, and no such market is expected to develop.
7. EID is a reporting issuer in the United States and it is subject to the disclosure and other regulatory requirements of the applicable securities laws of the United States and the listing rules of the NYSE.
8. On April 17, 2003, DCI Acquisition Inc. (the “Offeror”), a subsidiary of the Filer made an offer (the “Offer”) to purchase all of the outstanding class A common shares, series 1 (the “Common Shares”) of DuPont Canada Inc. (“DuPont Canada”), other than Common Shares already held by the Offeror and its affiliates. The Offer was made only for Common Shares and not made for any options to purchase Common Shares of DuPont Canada (“DuPont Canada Options”). As at April 17, 2003, the Offeror and its affiliates held

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212,591,160 Common Shares of DuPont Canada representing 76% of the total issued and outstanding Common Shares.

9. In a letter dated April 17, 2003 (the “Option Exchange Letter”), the Filer offered Option Holders the opportunity, subject to obtaining all necessary regulatory approvals, and to the acquisition by the Offeror of Common Shares under the Offer, to receive options to acquire EID Shares (“EID Options”) in exchange for the surrender of such holder’s options under the DuPont Canada Employee Stock Option Plan.
10. The exchange of options was designed to preserve, to the extent possible, the intrinsic value of the DuPont Canada Options. The number of EID Options an Option Holder will receive in exchange for the surrender of its options and the exercise price of those options will differ from the number of, and exercise price of, the DuPont Canada Options. However the EID Options will otherwise be subject to the same terms and conditions, including the dates of vesting, post-employment exercisability provisions, assignment and transfer restrictions and expiration as the DuPont Canada Options.
11. Option Holders who elect to surrender their options and receive EID Options will be provided with materials from the Administrator, as administrator for the EID Options, explaining how to exercise the EID Options.
12. Option Holders who receive EID Options and who exercise EID Options for EID Shares will, at that time, become entitled to receive copies of all annual reports and all other materials distributed to EID’s shareholders.
13. Participation by Option Holders in the offer set forth in the Option Exchange Letter is voluntary; none of the Option Holders has been induced to participate in the offer set forth in the Option Exchange Letter by the expectation of employment or continued employment or further advancement with DuPont Canada or any of its affiliates.
14. The issuance of EID Shares to residents of the Jurisdictions on the exercise of their EID Options will be made in accordance with all applicable laws in the United States. The NYSE is the principal trading market for the EID Shares. Because there is no active market in Canada and none is expected to develop, it is expected that any resale of the EID Shares by residents of the Jurisdictions will occur through the facilities of the NYSE.
15. The following table sets forth the approximate number of Option Holders in each of the Jurisdictions (as well as the number of current former employees in respect of which relief is claimed) as at April 4, 2003. Following the

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exchange of options and assuming that all Option Holders accept the offer provided in the Option Exchange Letter, and assuming all EID Options received are exercised for EID Shares, it is expected that there will be 3,688 (3407 + 281) holders of EID Shares with registered addresses in Canada.

Province	Total Number of Option Holders	Number of Former Employees who hold DuPont Canada Options
Alberta	21	1
British Columbia	15	nil
Manitoba	12	1
Saskatchewan	11	nil
Québec	130	3
Ontario	3,210	219
Nova Scotia	3	1
New Brunswick	3	1
Newfoundland and Labrador	2	1
Total	3,407	227

16. It is anticipated that, following the exchange of options and assuming that all Option Holders accept the offer provided in the Option Exchange Letter and assuming all EID Options are exercised for EID Shares, holders whose registered address is in Canada will hold, in the aggregate, substantially less than 5% of the outstanding EID Shares and will not represent more than 5% of the total number of holders of EID Shares.
17. With the exception of Legislation of the Province of New Brunswick, applicable Legislation in the Jurisdictions currently provides exemptions from the Registration and Prospectus Requirements that would apply to permit the issuance of options to employees and directors of an affiliate. There are no directors of DuPont Canada resident in the Province of New Brunswick. Accordingly, EID requires relief from the Registration and Prospectus Requirements in the Province of New Brunswick with respect to the issuance of EID Options to employees of its affiliate, DuPont Canada, who are resident in the Province of New Brunswick.
18. Although a number of former employees and directors of DuPont Canada continue to hold DuPont Canada Options granted to them while they were employees of DuPont, no Jurisdiction provides a registration or prospectus exemption to permit EID to issue EID Options to former employees or directors of DuPont Canada. Currently, directors of DuPont Canada are

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resident in the Provinces of Ontario, Québec and Manitoba and there are no former directors who are Option Holders and who are not now either officers or employees of DuPont Canada. However, it is possible that at the time of the exchange, some directors of DuPont Canada may have left their position and some current employees of Dupont Canada may no longer be employees. Accordingly, EID requires relief from the Registration and Prospectus Requirements of the Jurisdictions with respect to the issuance of EID Options to former employees and directors of DuPont Canada in accordance with the Option Exchange Letter.

19. Except in the Provinces of New Brunswick and Newfoundland and Labrador, applicable Legislation in the Jurisdictions currently provides registration and prospectus exemptions for the issuance by the Administrator of EID Shares on exercise of the EID Options to employees, directors and executives; however, no Jurisdiction provides a registration and prospectus exemption for the issuance by the Administrator of EID Shares to former employees and directors. It is possible that, at the time of the exercise of the EID Options, some directors of DuPont Canada may have left their position and current employees may no longer be employees of DuPont Canada. Accordingly, the Administrator requires relief from the Registration and Prospectus Requirements with respect to the issuance of EID Shares on exercise of EID Options pursuant to the Option Exchange Letter to former employees and directors of DuPont Canada and, in addition, in the case of the Provinces of New Brunswick and Newfoundland and Labrador in respect of the issuance of EID Shares on exercise of EID Options pursuant to the Option Exchange Letter to employees, directors, and executives of DuPont Canada.
20. With the exception of the Legislation of the Provinces of Québec, New Brunswick, Manitoba, and Newfoundland and Labrador, applicable Legislation in the Jurisdictions currently provides, whether by rule, regulation, policy or blanket order, exemptions from the Registration and Prospectus Requirements which might otherwise apply to first trades, by or through the Administrator, in EID Shares acquired by residents of the Jurisdictions in connection with the Option Exchange Letter. Accordingly, EID requires relief from the Registration Requirements in the Provinces of Québec, New Brunswick, Manitoba, and Newfoundland and Labrador and relief from the Prospectus Requirements in the Province of Québec, with respect to first trades by or through the Administrator in EID Shares acquired on exercise of EID Options pursuant to the Option Exchange Letter.

AND WHEREAS under the System, the MRRS Decision Document evidences the decision of each Decision Maker (collectively, the “Decision”);

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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 under the Legislation is that:

- (a) The Registration and Prospectus Requirements do not apply to the issuance by EID of EID Options to Option Holders in accordance with the terms of the Option Exchange Letter or to the issuance by or through the Administrator of EID Shares on the exercise of EID Options by the holders thereof in accordance with the terms of the Option Exchange Letter, provided that the first trade in EID Shares acquired pursuant to the Decision shall be deemed a distribution or primary distribution to the public under the Legislation of such Jurisdiction;
- (b) The Registration and Prospectus Requirements do not apply to the first trade in EID Shares acquired pursuant to the Decision made by or through the Administrator provided,
 - (i) in a Jurisdiction other than Quebec, the conditions in section 2.14(1) of Multilateral Instrument 45-102 - Resale of Securities are satisfied, and
 - (ii) in Quebec, the first trade is either made (A) between Option Holders or former Option Holders or (B) through an exchange or market outside Canada.

June 3, 2003

Harold P. Hands

Robert W. Korthals