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May 12, 2006

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Securities Act, ss. 48 & 76 – Exemption from s. 34(1)(a) requirement to be registered as a dealer in connection with a trade and s. 61 requirement to file a prospectus in connection with a distribution involving employees, consultants, past employees and similar persons for trades by an issuer's employee or officer in securities of a fund that was established as part of the issuer's employee investment plan or in-house investment plan – employee voluntarily enters into the employee investment plan; under the plan the employee will receive units in the fund; the units are exchangeable for securities of the issuer; the fund's sole purpose is to hold securities of the issuer for the benefit of plan participants; the employee will receive an information package which includes the terms of the offering and a notice containing a description of Canadian income tax consequences; the issuer is not a reporting issuer anywhere in Canada and has a de minimis connection to Canada; the securities will be resold on an exchange outside of Canada or to a person outside of Canada

Exemption from s. 34(1)(a) requirement to be registered as a dealer in connection with a trade for activities related to administering an issuer's employee investment plan – the person will administer an employee share incentive plan; the person's activities do not affect the value of the underlying securities; the person will not provide any investment advice to plan participants

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, ss. 34(1)(a), 48, 61, 76

In the Matter of
the Securities Legislation
of British Columbia, Alberta, Ontario and Quebec
(the Jurisdictions)

and

In the Matter of
the Mutual Reliance Review System for Exemptive Relief Applications

and

In the Matter of Business Objects S.A.
(the Filer)

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MRRS Decision Document

Background

- ¶ 1 The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) for:
1. an exemption from the dealer registration requirements and the prospectus requirements in respect of:
 - (a) the grant of Awards (as defined below) in the form of Units (as defined below) by the Trust (as defined below) made pursuant to the Plan and Sub-Plan (as defined below) to Participants (as defined below) resident in the Jurisdictions (the Canadian Participants);
 - (b) trades of American Depositary Shares of the Filer (the ADSs) by the Trust to Canadian Participants upon the redemption of Awards by Canadian Participants;
 2. an exemption from the adviser registration requirements and dealer registration requirements so that those requirements do not apply to the Trustee, the Agent, and the Investment Manager (all as defined below), to the extent that their activities described in this decision document require compliance with the adviser registration requirements and dealer registration requirements (collectively, items 1 and 2 are the Initial Requested Relief); and
 3. an exemption from the dealer registration requirements of the Legislation so that those requirements do not apply to the first trade in any ADSs acquired by Canadian Participants pursuant to an Award (the First Trade Relief).

Under the Mutual Reliance Review System for Exemptive Relief Applications

- (a) the British Columbia Securities Commission is the principal regulator for this application, and
- (a) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

- ¶ 2 Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are otherwise defined in this decision.

Representations

¶ 3 This decision is based on the following facts represented by the Filer:

1. the Filer is a corporation formed under the laws of France; the ordinary shares of the Filer are traded on Eurolist by Euronext™; ordinary shares of the Filer in the form of ADSs are quoted on the Nasdaq National Market; the Filer is not and has no current intention of becoming a reporting issuer under the Legislation;
2. as of February 28, 2006, the Filer had 95,604,302 ordinary shares, including ADSs, issued and outstanding;
3. Business Objects Corp. (the Canadian Affiliate) is a subsidiary of the Filer and is not and has no current intention of becoming a reporting issuer under the Legislation;
4. the Filer has established the Business Objects S.A. 2001 Stock Incentive Plan (the Plan);
5. the Filer has also established the Business Objects S.A. 2001 Stock Incentive Plan Subsidiary Stock Incentive Sub-Plan, as a sub-plan under the Plan (the Sub-Plan);
6. any employee (each a Qualifying Employee) of the Canadian Affiliate or other related entities (within the meaning of National Instrument 45-106) of the Filer (collectively, the Business Objects Affiliates) may be selected to participate in the Sub-Plan;
7. the purposes of the Sub-Plan are to enable Business Objects Affiliates to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentives to Qualifying Employees and to promote the success of the Filer's worldwide business;
8. the Sub-Plan was approved by the shareholders of the Filer on June 10, 2004;
9. for purposes of the Sub-Plan, the Business Objects Employee Benefits Sub-Plan Trust (the Trust) was established under the laws of California;
10. according to the terms of the Sub-Plan, the Filer is authorized to issue up to 2,500,000 ordinary shares to the Trust; the issuance price to the Trust will be decided by the board of directors of the Filer or its chief executive officer and will be equal to at least 85% of the closing price in euros per ordinary share on

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the last trading day preceding the decision to issue the new ordinary shares, as quoted on Eurolist by Euronext or such other source as the board of directors of the Filer deems reliable; under the terms of the Sub-Plan, the board of directors may also allocate ordinary shares repurchased by the Filer, subject to the overall maximum share amount of 2,500,000 ordinary shares in the aggregate;

11. Business Objects Affiliates contribute cash to the Trust to enable the Trust to subscribe for or purchase ordinary shares of the Filer from the Filer;
12. ordinary shares will be converted into ADSs of the Filer after they have been subscribed for and issued to, or repurchased by, the Trust;
13. Qualifying Employees that have been selected to participate in the Plan (Participants) may be granted restricted stock units or performance share units (collectively referred to as Awards); Awards will be granted to a Participant in the form of units (Units) to acquire ADSs from the Trust; each Unit will be the equivalent of one ADS for purposes of determining the numbers of shares subject to an Award; the Units will not be listed on any stock exchange;
14. the Trust has been established to facilitate the participation of Participants with respect to Award grants to facilitate compliance with French laws and to simplify custodial arrangements for participation; the Trust is not and has no current intention of becoming a reporting issuer under the Legislation; only Participants are allowed to hold Units of the Trust, and the holdings will be in an amount reflecting the number of ADSs held by the Trust on behalf of a Participant;
15. Allecon Stock Associates L.L.C. is the initial trustee of the Trust (the Initial Trustee); the Initial Trustee is a limited liability company governed by the laws of Michigan, United States; the Initial Trustee and any replacement trustee (the Trustee) will be licensed to carry on the business of a trustee under the laws of the United States;
16. the Trustee uses the services of agents/brokers in connection with the operation of the Sub-Plan (each an Agent); any Agent chosen under the Sub-Plan will be registered to conduct retail trades in the Jurisdictions, or registered to conduct retail trades under applicable U.S. securities or banking legislation; the Trustee may at any time appoint additional or replacement Agents; currently, the Agent to the Trustee in the operation of the Sub-Plan with respect to Awards to Canadian Participants is Deutsche Bank Alex Brown; Deutsche Bank Alex Brown is registered to conduct retail trades under applicable U.S. securities legislation;

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17. the role of the Trustee and Agent may include (a) disseminating information and materials to Participants in connection with the Sub-Plan; (b) assisting with the administration of and general record keeping with respect to the Trust and the Sub-Plan; (c) holding ADSs on behalf of Participants in limited purpose brokerage accounts; (d) facilitating Award vesting under the Sub-Plan; (e) facilitating the payment of withholding taxes, if any, by cash or the tendering or withholding of ADSs; and (f) facilitating the resale of ADSs including resales by Participants or permitted transferees (if allowed under the terms of an Award grant) if issued in connection with the Sub-Plan;
18. the Trustee's management activities in connection with the Sub-Plan and the Trust are limited to subscribing for ordinary shares from the Filer or through the repurchase plan, distributing ADSs pursuant to Awards and selling ADSs as necessary in order to fund redemption requests; the Trustee is also responsible for preparing accounting documents and publishing periodic informational documents as provided by the rules of the Trust; the Trustee's activities in no way affect the underlying value of the ADSs;
19. the Trustee has power and authority to invest and reinvest the cash assets of the Trust in any investment permitted by law that provides sufficient liquidity for the Trustee to make required subscriptions or acquisitions of ordinary shares as required, including the power to deposit or invest cash assets of the Trust in savings accounts or certificates of deposit or other deposits that bear a reasonable interest rate in a bank (including the commercial department of the Trustee) if such bank is supervised by the United States or any state of the United States;
20. the Subsidiary Administrator as defined in the Sub-Plan (the Subsidiary Administrator) may appoint an investment manager (an Investment Manager) to direct, control or manage the investment of all or a portion of the cash assets of the Trust;
21. there are approximately 1,277 Qualified Employees resident in Canada, in the provinces of Ontario (82), British Columbia (1,177), Alberta (6) and Québec (7);
22. Canadian Participants will not be induced to participate in the Sub-Plan by expectation of employment or continued employment with a Business Objects Affiliate;
23. none of the Filer, the Trustee, the Agent, the Investment Manager, the Subsidiary Administrator or any of their employees, agents or representatives

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will provide investment advice to the Canadian Participants with respect to an investment in the Units or the ADSs;

24. the Canadian Participants will receive an information package, which will include a copy of the Sub-Plan, a grant notice for each Award grant (including the particulars of the grant), an Award agreement setting out the conditions applicable to each Award, and a description of the relevant Canadian income tax consequences; and
25. as of April 13, 2006 and after giving effect to currently contemplated Awards, Canadian residents do not and will not beneficially own more than 10% of the ordinary shares (including those held as ADSs) and do not and will not represent more than 10% of the total number of holders of ordinary shares (including those held as ADSs), as shown on the books of the Filer.

Decision

- ¶ 4 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:

1. the Initial Requested Relief is granted provided that the first trade in any ADSs acquired by Canadian Participants pursuant to this Decision, in a Jurisdiction, is deemed a distribution under the Legislation of such Jurisdiction unless the following conditions are met:
 - (a) the Filer:
 - (i) was not a reporting issuer in any jurisdiction of Canada at the date the Award was granted, or
 - (ii) is not a reporting issuer in any jurisdiction of Canada at the date of the trade;
 - (b) at the date of the grant of the Award, after giving effect to the issue of the security and any other securities of the same class or series that were issued at the same time as or as part of the same distribution as the security, residents of Canada:
 - (i) did not own directly or indirectly more than 10 percent of the outstanding securities of the class or series, and

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- (ii) did not represent in number more than 10 percent of the total number of owners directly or indirectly of securities of the class or series; and
- (c) the trade is made:
 - (i) through an exchange, or a market, outside of Canada, or
 - (ii) to a person or company outside of Canada; and
- 2. the First Trade Relief is granted, provided that:
 - (a) the conditions set out in paragraphs (a), (b) and (c) under the decision granting the Initial Requested Relief are satisfied; and
 - (b) the first trade in ADSs acquired by Canadian Participants under this Decision is made through a person or company that is appropriately licensed to carry on business as a broker/dealer (or the equivalent) under the applicable securities legislation in the foreign jurisdiction where the trade is executed or is appropriately licenced in the Jurisdictions.

Martin Eady, CA
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British Columbia Securities Commission