



IN THE MATTER OF THE *SECURITIES ACT*
R.S.N.W.T. 1988, c. S-5

- and -

IN THE MATTER OF W.W. GRAINGER, INC.

EXEMPTION ORDER

UPON the application of **W.W. Grainger, Inc.** (the “Applicant”) to the Registrar of Securities (the “Registrar”) for an order pursuant to paragraph 27(2)(b) of the *Securities Act* (the “Act”) R.S.N.W.T. 1988, c. S-5, as amended, in connection with certain trades in securities in relation to a stock option plan of the Applicant and confirming that it will not be necessary to file a prospectus or statement of material facts in respect of such trades;

AND UPON the following representations having been made to the Registrar on behalf of the Applicant:

1. The Applicant is a public company in the United States and, through a subsidiary, currently carries on business in substantially all of the provinces and territories in Canada, except Prince Edward Island, but it is not a reporting issuer in any jurisdiction in Canada.
2. The Applicant has a stock option plan (the “Plan”) pursuant to which options (“Options”) to purchase stock issued by the Applicant are given to executives and certain employees of the Applicant and its subsidiaries (“Participants”). The Plan allows the Participants to transfer the Options, under limited circumstances, or to designate beneficiaries in respect of the Options.

AND UPON the Registrar being of the opinion that it would not be prejudicial to the public interest to do so;

IT IS ORDERED, under paragraph 27(2)(b) of the Act, that the transfer of Options and the designation of beneficiaries in respect of the Options by Participants pursuant to the Plan, or any other similar stock option plans created by the Applicant from time to time, are exempt from the requirement to file a prospectus or statement of material facts, provided that no consideration is paid to the Participants in respect of the transfer of Options or the designation of beneficiaries in respect of the Options.

DATED at the City of Yellowknife, in the Northwest Territories, this 25th day of August, 2003.

Gary I. MacDougall
Registrar of Securities