

**IN THE MATTER OF THE *SECURITIES ACT*,  
R.S.N.W.T. 1988, c.S-5, AS AMENDED (THE "ACT")**

- and -

**IN THE MATTER OF INVESTORS GROUP INC. ("Investors Group"), 4221079  
CANADA INC. ("IPC Holdco") & IPC FINANCIAL NETWORK INC. ("IPC")**

**EXEMPTION ORDER**

**UPON** the application of Investors Group (the "**Applicant**") to the Registrar of Securities (the "**Registrar**") for an order pursuant to Sections 4(5) and 27(2)(b) of the *Securities Act* R.S.N.W.T. 1988, c.S-5, as amended, exempting the Applicant from the provisions of the Act requiring the Applicant to file a prospectus or statement of material facts and to hold a certificate of registration under the Act in connection with a proposed plan of arrangement (the "**Plan**") among Investors Group, IPC, and IPC Holdco;

**AND UPON** Investors Group and IPC Holdco representing to the Registrar that:

1. Investors Group was incorporated under the *Canada Business Corporations Act* on August 3, 1978 and its registered and principal office is located in Winnipeg, Manitoba.
2. Investors Group is a reporting issuer in all jurisdictions in Canada, where such status exists.
3. Investors Group is not in default of any requirement of the Act and is not on the list of defaulting reporting issuers in any jurisdiction in which such a list is maintained.
4. IPC was incorporated under the *Canada Business Corporations Act* on May 14, 1998. IPC's registered and principal office is located in Mississauga, Ontario.
5. IPC is a reporting issuer, or its equivalent, in British Columbia, Alberta, Saskatchewan, Ontario, Quebec and Nova Scotia.
6. IPC is not on the list of defaulting reporting issuers in any jurisdiction in which such a list is maintained.
7. IPC and its subsidiaries presently conduct (and will continue to conduct) business across Canada through a network of financial advisors (the "**Advisors**").
8. According to an information memorandum provided to Investors Group by IPC, there are currently 643 Advisors throughout Canada, of which none are located in the Northwest Territories and Nunavut. IPC has advised Investors Group that approximately 175 Advisors currently hold common shares of IPC ("**IPC Shares**").

9. Although some of the Advisors are not employees of IPC, all Advisors have a written contract with IPC pursuant to which they devote a substantial amount of their time and attention to IPC's business.
10. IPC Holdco was incorporated under the *Canada Business Corporations Act* on February 10, 2004. Its registered and principal office is in Toronto, Ontario.
11. IPC Holdco is currently a wholly owned subsidiary of Investors Group.
12. Investors Group and IPC entered into an acquisition agreement made as of February 24, 2004 pursuant to which Investors Group and IPC Holdco will, subject to certain conditions being met, acquire all of the shares of IPC by way of the Plan. The Plan provides that IPC Holdco will acquire all of the issued and outstanding IPC Shares for, at the election of the IPC shareholder: (i) cash and/or common shares of Investors Group ("**Investors Shares**"), or (ii) cash, Investors Shares and/or common shares of IPC Holdco ("**IPC Holdco Shares**"), in the case of certain shareholders of IPC who are Advisors and members of IPC management (the "**Officers**").
13. Upon the effective date of the Plan, the Advisors and the Officers (collectively, the "**IPC Holdco Shareholders**") will not own, as a group more than 30% of the outstanding IPC Holdco Shares, and Investors Group will own the balance of the outstanding IPC Holdco Shares. Pursuant to the Plan (i) certain of the Officers will receive IPC Holdco Shares and Investors Shares; and (ii) the other Officers and certain Advisors may elect to receive IPC Holdco Shares, cash, or a combination of cash and Investors Shares, for each IPC Share held. IPC Holdco Shares are being used as consideration under the Plan in order to maintain the ownership interest of the Officers and certain Advisors in the IPC business (indirectly through IPC Holdco).
14. Other than Investors Group and its affiliates, all of the IPC Holdco Shareholders are and will continue to be "employees", "senior officers", "directors", "consultants" or "permitted assigns" of IPC for the purpose of Multilateral Instrument 45-105 – *Trades to Employees, Senior Officers, Directors and Consultants*.
15. As a condition to receiving IPC Holdco Shares under the Plan or, in the case of individuals who become IPC Holdco Shareholders in the future, subsequent to the implementation of the Plan, all potential IPC Holdco Shareholders will be required to enter into one or, in the case of certain IPC Holdco Shareholders, two shareholders' agreements (collectively, "**Shareholders' Agreements**") with IPC Holdco and Investors Group.
16. The proposed terms of the Shareholders' Agreements include: (i) the right of each IPC Holdco Shareholder to cause IPC Holdco, Investors Group or an affiliate of Investors Group to purchase his or her IPC Holdco Shares from time to time; (ii) the right of one or possibly more of IPC Holdco, Investors Group or any affiliate of Investors Group to purchase IPC Holdco Shares from each IPC Holdco Shareholder from time to time; (iii) an obligation of each IPC Holdco Shareholder to sell his or her IPC Holdco Shares to IPC Holdco, Investors Group or an affiliate of Investors Group in certain circumstances; and (iv) the right of IPC Holdco, Investors Group or an affiliate of Investors Group to

purchase IPC Holdco Shares from a IPC Holdco Shareholder upon the occurrence of certain triggering events, such as bankruptcy or insolvency and certain events of default of a IPC Holdco Shareholder (collectively, "**Transfers**").

17. The IPC Holdco Shareholders will, among other things, have access to a copy of the Shareholders' Agreements prior to the IPC shareholder's meeting called for the purpose of approving the Plan and, in the case of future IPC Holdco Shareholders, prior to receiving IPC Holdco Shares.
18. Unless relief is granted, the Transfers will be subject to the requirements of sections 4(1) and 27(2)(a) of the *Securities Act*.
19. The local securities regulatory authority or regulator in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia and Newfoundland and Labrador (the "**Extra-provincial Jurisdictions**") has received an application (the "**Application**") from Investors Group, IPC Holdco and IPC for a decision pursuant to the securities legislation of the Extra-provincial Jurisdictions that, in connection with the Plan, that the Transfers be exempt from the issuer bid and takeover bid requirements of the Extra-provisional Jurisdictions.
20. Pursuant to the Mutual Reliance Review System for Exemptive Relief Applications, the Ontario Securities Commission is the Principal Regulator for the Application.
21. If the Application is granted, the result will be that the Transfers will not be subject to the prospectus and registration requirements of the Extra-Provincial Jurisdictions.

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

**IT IS HEREBY ORDERED THAT** pursuant to sections 4(5) and 27(2)(b) of the Act that the Transfers made from time to time pursuant to the Shareholders' Agreements shall be exempt from:

- (i) the registration requirements of section 4(1) of the Act; and
- (ii) the prospectus requirements of section 27(2)(a) of the Act.

**DATED** at the City of Yellowknife, in the Northwest Territories, this 5<sup>th</sup> day of May, 2004.

**"Tony Wong"**

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Tony S.K. Wong  
Registrar, Securities & Corporate Registries