

IN THE MATTER OF
THE CANADIAN SECURITIES LEGISLATION
OF BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,
MANITOBA, ONTARIO, QUEBEC AND NOVA SCOTIA

AND

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

AND

IN THE MATTER OF MOTOROLA, INC.

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec and Nova Scotia (the "Jurisdictions") has received an application from Motorola, inc. ("Motorola") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that certain trades in shares of Common Stock of Motorola (the "Shares") made in connection with Motorola's Employee Stock Purchase Plan of 1999 (the "1999 Plan"), Motorola's Stakeholders Plan (the "Stakeholders Plan") and Motorola's Merrill Lynch Canada Inc. Employee Share Purchase Plan (the "ESPP") (the 1999 Plan, the Stakeholders Plan and the ESPP are collectively referred to herein as the "Plans"), including Shares to be acquired upon the automatic reinvestment (the "Dividend Reinvestments") of dividends payable by Motorola, shall not be subject to 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 a prospectus (the "Prospectus Requirements") (collectively, the "Registration and Prospectus Requirements");

AND WHEREAS pursuant to the Mutual Reliance System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS Motorola has represented to the Decision Makers as follows:

1. Motorola is a corporation incorporated under the laws of the state of Delaware, is not a reporting issuer under the Legislation and has no present intention of being a reporting issuer under the Legislation.
2. The share capital of Motorola as at April 3, 1999 consisted of 1,400,000,000 Shares and 500,000 shares of Preferred Stock, of which 603,003,471 Shares and no shares of Preferred Stock were issued and outstanding on such date.
3. Motorola is subject to the requirements of the *Securities Exchange Act* of 1934, as amended, of the United States, and the Shares are listed and posted for trading on The New York Stock

Exchange (the "NYSE"), Chicago Stock Exchange, Tokyo Stock Exchange, and the London Stock Exchange Limited.

4. The purpose of the 1999 Plan is to provide an opportunity for eligible employees of Motorola and any designated subsidiaries (the "Employees") to purchase Shares at a discount through automatic payroll deductions, thereby attracting, retaining and rewarding such persons and strengthening the mutuality of interest between such persons and Motorola's stockholders.

5. Motorola will establish a payroll deduction account ("Payroll Deduction Account") for each participating Employee in connection with the 1999 Plan and will credit all payroll deductions made on behalf of each Employee to such account, and each Employee shall have the right to purchase, at a discount, as many Shares, including fractional Shares, as may be purchased with the amounts credited to his or her Payroll Deduction Account as of a specified date.

6. Shares purchased on behalf of Employees pursuant to the 1999 Plan may be authorized but unissued Shares, Shares purchased from the Company's treasury or Shares purchased in the open market through the facilities of a stock exchange outside of Canada.

7. Shares awarded to Employees under the Stakeholders Plan have been purchased from the Company's treasury, and Shares purchased on behalf of Employees pursuant to the ESPP are purchased in the open market through the facilities of the NYSE.

8. Shares purchased pursuant to the Dividend Reinvestments have been and will continue to be limited to Shares purchased in the open market through the facilities of a stock exchange outside of Canada.

9. As of January 1, 1999, the Employees were no longer eligible to be awarded Shares under the Stakeholders Plan. However, Merrill Lynch & Company Inc. ("Merrill U.S.") continues to maintain an account on behalf of those Employees who received Shares under the Stakeholders Plan, including Employees resident in the Jurisdictions.

10. Employees may continue to acquire Shares by payroll deductions under the ESPP until September 30, 1999. Merrill Lynch Canada inc. ("Merrill Canada") presently maintains an account on behalf of those Employees resident in the Jurisdictions who acquire Shares under the ESPP.

11. Those Employees who have an account with Merrill U.S. or Merrill Canada established in connection with the Stakeholders Plan or the ESPP, respectively, will be invited to transfer the Shares held in such accounts to the accounts maintained by the Plan Broker (as defined below) in connection with the 1999 Plan.

12. In connection with the Plans and the Dividend Reinvestments, Motorola proposes to use the services of an agent (the "Plan Broker"), currently Salomon Smith Barney Inc., which is registered as a broker under applicable legislation in the United States.

13. As at June 18, 1999, there were approximately 90,000 Employees eligible to participate in the 1999 Plan, of which there were 208 Employees in British Columbia, 29 Employees in Alberta, 2 Employees in Manitoba, 1 Employee in Saskatchewan, 625 Employees in Ontario, 38 Employees in Quebec and 5 Employees in Nova Scotia.

14. As at July 15, 1999, the aggregate number of Shares held by holders of record with addresses in each of the Jurisdictions represented less than 1% of the total number of outstanding Shares, and the aggregate number of holders of record with addresses in each of the Jurisdictions was less than 1% of the total number of holders of record.

15. Employees will not be induced to participate in the 1999 Plan by expectation of employment or continued employment.

16. All disclosure material relating to Motorola that Motorola is required to file with the Securities and Exchange Commission in the United States will be provided or made available upon request to the Canadian Employees who purchase Shares under the 1999 Plan, at the same time, and in the same manner, as such materials are provided or made available upon request to holders of Shares who are resident in the United States.

17. An exemption from the Registration and Prospectus Requirements is not available in all of the Jurisdictions for the issuance of Shares to the Plan Broker on behalf of Canadian Employees pursuant to the 1999 Plan, and an exemption from the Registration Requirements is not available in all of the Jurisdictions for the purchase of Shares by the Plan Broker on behalf of Canadian Employees pursuant to the 1999 Plan or the purchase of Shares by the Plan Broker pursuant to the Dividend Reinvestments

18. An exemption from the Prospectus Requirements is not available in all of the Jurisdictions for trades in Shares acquired under the 1999 Plan by Canadian Employees, former Canadian Employees and legal representatives of Canadian Employees or former Canadian Employees ("Canadian Legal Representatives"), and an exemption from the Registration Requirements is not available in all of the Jurisdictions for the trades in Shares acquired under the Plans or pursuant to the Dividend Reinvestments by Canadian Employees, former Canadian Employees or Canadian Legal Representatives through the Plan Broker.

19. Because there is no market for the Shares in Canada and none is expected to develop, any resale of the Shares acquired under the Plans will be effected through the facilities of, and in accordance with the rules applicable to, a stock exchange or market outside of Canada on which the Shares may be listed or quoted for trading.

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 and Prospectus Requirements shall not apply to:

- (i) the issuance by Motorola of Shares to the Plan Broker on behalf of Canadian Employees pursuant to the 1999 Plan,
- (ii) the purchase of Shares through the facilities of a stock exchange located outside of Canada by the Plan Broker on behalf of Canadian Employees pursuant to the 1999 Plan, or by the Plan Broker pursuant to the Dividend Reinvestments, or
- (iii) the activities of the Plan Broker in connection with the foregoing, provided that the first trade in such Shares acquired in the manner described in paragraph 1(i), above, shall be a distribution subject to the Prospectus Requirements; and

(2) the first trade in Shares acquired under the 1999 Plan shall not be subject to the Prospectus Requirements, and the Registration Requirements shall not apply to a first trade in Shares acquired under the Plans or pursuant to the Dividend Reinvestments, where the first trade is made by a Canadian Employee, a former Canadian Employee or a Canadian Legal Representative through the Plan Broker, provided that:

- (a) at the time of the trade, Motorola is not a reporting issuer in any of the Jurisdictions, and
- (b) such first trade is effected through the facilities of, and in accordance with the rules applicable to, a stock exchange outside of Canada on which the Shares listed or quoted for trading, the Nasdaq National Market or The Stock Automated Quotation System of the London Stock Exchange Limited.

DATED at Toronto this "7th" day of October, 1999.