

**THE SECURITIES ACT**

)

**Order No. 2716**

)

**Subsection 20(1)**

)

**December 2nd, 1999**

**EASTMAN KODAK COMPANY**

**WHEREAS:**

(A) Eastman Kodak Company ("Kodak"), on behalf of itself and its affiliates ("Kodak Companies"), including Kodak Canada Inc. and Colortron Photo Services Ltd. (collectively, the "Canadian Companies") and on behalf of the agent(s) (each an "Agent") appointed by Kodak pursuant to the Eastman Kodak Company 1995 Omnibus Long-Term Compensation Plan (the "1995 Plan") or the Kodak Stock Option Plan (the "KSOP"; the KSOP and 1995 Plan are collectively, the "Plans"), has applied to the Manitoba Securities Commission (the "Commission") for an order pursuant to subsection 20(1) of the *Securities Act*, R.S.M. 1988, c. S50 (the "Act") that certain trades in shares of common stock of Kodak, par value U.S.\$2.50 each ("Shares") and options on Shares ("Options") by the Agent and by employees of Kodak or Kodak Companies resident in Manitoba ("Manitoba Employees") be exempt from sections 6 and 37 of the Act;

(B) Kodak represented to the Commission that:

1. Kodak is a corporation incorporated pursuant to the laws of the State of New Jersey in the United States. The Shares offered under the Plans are listed and posted for trading on the New York Stock Exchange ("NYSE");
2. the Canadian Companies is each a wholly-owned subsidiary of Kodak and is each incorporated pursuant to the laws of the province of Ontario;
3. Kodak and the Canadian Companies are not, and have no present intention of becoming, subject to the continuous disclosure requirements of the Act;
4. Salomon Smith Barney Inc., ChaseMellon Shareholder Services LLC. ("Chase") and Chase Securities Inc. ("Chase Securities"), is each a corporation registered under applicable legislation in the United States but is not registered under the Act;
5. the Shares offered under the Plans are registered with the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934 and Kodak files with the SEC its annual report on Form 10-K as well as other continuous disclosure materials required under U.S. securities legislation;

6. residents of Manitoba of record hold not more than 10% of the Shares, and the number of Manitoba residents of record holding Shares is not more than 10% of the total number of holders of Shares;

7. the purpose of the 1995 Plan is to provide motivation to selected employees of Kodak and the Kodak Companies, including Manitoba Employees to put forth maximum efforts toward the continued growth, profitability, and success of Kodak by providing incentives to such Employees through the ownership and performance of Shares. The purposes of the KSOP are (i) to promote the interests of Kodak and its shareholders by retaining quality Employees; (ii) to give substantially all Employees a stake in Kodak's growth and success by focusing them on the performance of Kodak stock; and (iii) to create a culture of ownership and excellence among all Employees worldwide. As of November 17, 1999, there were approximately seven (7) Manitoba Employees eligible to participate in the Plans;

8. under the Plans eligible employees, including Manitoba Employees, may be granted Options;

9. participation in the Plans is voluntary and Manitoba Employees will not be induced to participate in the Plans or to purchase Shares under the Plans by expectation of employment or continued employment;

10. Manitoba Employees who acquire Shares under either of the Plans will be provided with a copy of the relevant Plan, a copy of all disclosure material relating to the relevant Plan that is provided to holders of Shares resident in the United States, and a copy of this Order;

11. Manitoba Employees may sell Shares acquired upon the exercise of Options under the Plans through the Agent;

12. in the absence of the requested order, section 6 of the Act would require that Kodak, the Kodak Companies, and the Agent be registered under the Act and that certain trades in securities under the Plans be made pursuant to a prospectus;

**(C)** The Commission is of the opinion that it would not be prejudicial to the public interest to grant the order requested;

**IT IS ORDERED:**

**1. THAT**, pursuant to subsection 20(1) of the Act, trades in Shares and Options pursuant to the Plans, by Kodak, the Agent(s) and the Manitoba Employees are exempt from sections 6 and 37 of the Act.

**2. THAT** the fee for this order shall be \$650.00.

**BY ORDER OF THE COMMISSION**

**Director – Legal**