

**IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
ALBERTA, MANITOBA, NEW BRUNSWICK AND Québec**

**AND**

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

**AND**

**IN THE MATTER OF  
ADVANCED MEDICAL OPTICS, INC.**

**MRRS DECISION DOCUMENT**

1. WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in Alberta, Manitoba, New Brunswick and Québec (the "Jurisdictions") has received an application from Advanced Medical Optics, Inc. ("Advanced Medical") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the dealer registration requirement and prospectus requirement will not apply to certain trades of shares of Advanced Medical in connection with the Advanced Medical Optics, Inc. 2002 International Stock Purchase Plan (the "Plan");
2. AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Alberta Securities Commission is the principal regulator for this Application;
3. AND WHEREAS, unless otherwise defined, the terms used herein have the meaning set out in National Instrument 14-101 *Definitions* or in Quebec Commission Notice 14-101;
4. AND WHEREAS Advanced Medical represented to the Decision Makers that:
  - 4.1 Advanced Medical is a company incorporated under the laws of Delaware in the United States of America and is registered with the U. S. Securities and Exchange Commission;
  - 4.2 Advanced Medical is not in default of any of its obligations under the *Securities Exchange Act of 1934*;
  - 4.3 *as at September 3, 2002, the share capital of Advanced Medical consisted of approximately 28,723,512 Common Shares (the "Common Shares"), all of which were issued and outstanding;*

*4.4 the Common Shares are listed on the New York Stock Exchange (the "NYSE") and Advanced Medical is subject to the reporting obligations of the NYSE;*

*4.5 no securities of Advanced Medical are quoted or listed and posted for trading on any securities exchange or over-the-counter market in Canada;*

*4.6 Advanced Medical is not, and has no present intention of becoming, a reporting issuer under the applicable legislation of any of the Jurisdictions;*

*4.7 the Plan will be administered by a committee, which will be appointed by the Board of Directors and which will be composed of not less than two members of the Board, each of whom will be a non-employee director (the "Committee");*

*4.8 under the Plan, eligible employees and employee executives of Advanced Medical and affiliates of Advanced Medical (the "Participants") may elect to participate in the Plan during specified periods of time currently defined as each six-month period commencing on any April 1 and October 1 on or after the date of adoption of the Plan (the "Offering Period"). Personal contributions by Participants will be made throughout the Offering Period;*

*4.9 Participants are offered the opportunity to purchase Common Shares at an amount equal to the purchase price as defined in the Plan, currently an amount equal to the lesser of:*

*4.9.1 85% of the closing sale price for such Common Shares on the NYSE (or the mean between the closing representative bid and asked prices for the Common Shares, if no sales were reported on the NYSE but the Common Shares were quoted on Nasdaq or such successor quotation system) on the last trading day of the Offering Period; and*

*4.9.2 85% of the closing sale price for such Common Shares on the NYSE (or the mean between the closing representative bid and asked prices for the Common Shares, if no sales were reported on the NYSE but the Common Shares were quoted on Nasdaq or such successor quotation system) on the first trading day of the Offering Period (the "Purchase Price");*

*4.10 Advanced Medical's Board of Directors or the Committee may, in its sole discretion and acting in good faith, determine the purchase price for such Common Shares in lieu of the foregoing formula for determining the Purchase Price;*

*4.11 the Participants may invest in Common Shares by means of payroll deduction. The minimum payroll deduction currently permitted for a Participant in respect of an Offering Period is an amount equal to 1% of a Participant's*

*gross compensation for such Offering Period. The maximum payroll deduction currently permitted to be made for a Participant in an Offering Period is limited to 10% of a Participant's gross compensation. All payroll deductions will be expressed in whole percentage increments;*

*4.12 once an eligible employee or employee executive has elected to participate in the Plan, that Participant's payroll deduction authorization will apply to all subsequent Offering Periods unless the Participant ceases to be an eligible employee or employee executive or the Participant changes or terminates such payment authorization. A Participant's election to participate in the Plan is irrevocable during an Offering Period;*

*4.13 the Common Shares to be sold under this Plan will be made available, at the discretion of the Board of Directors or the Committee, either from newly issued shares, U.S. treasury shares, or Common Shares purchased on the open market;*

*4.14 Advanced Medical will provide each Participant choosing to participate in the Plan with an information statement ("Information Statement") in accordance with section 6039(a) of the Internal Revenue Code of 1986, as amended and the Treasury Regulations thereunder;*

*4.15 an award granted under the Plan ("Award") may be not be transferred during the Awardee's lifetime and upon the Awardee's death, may only be transferred by will or the applicable laws of succession;*

*4.16 Advanced Medical will use an agent (the "Agent") to carry out certain transactional services in connection with the Plan. The Agent presently appointed by the Applicant to carry out such services is Mellon Shareholder Services, Teanack, NJ, USA;*

*4.17 the Agent is registered to trade securities in the U.S. but is not registered to trade securities in any of the Jurisdictions;*

*4.18 each Participant will automatically and without any act on such Participant's part be deemed to have exercised his or her right to purchase Common Shares to the extent that the balance then in the employee's account is sufficient to purchase such Common Shares on the last day of the applicable Offering Period;*

*4.19 as soon as reasonably practicable after the purchase of Common Shares by a Participant under the Plan, Advanced Medical will either purchase in the market or issue the Common Shares to such Participant and such Common Shares will be held in the custody of the Agent for the benefit of the Participant;*

*4.20 a Participant will have the right at any time to request a certificate or certificates for all or a portion of the Common Shares purchased for the Participant under the Plan;*

*4.21 upon Advanced Medical's issuance of Common Shares to the Agent on behalf of a Participant, the Participant can hold the Common Shares until they decide to sell at a later date or immediately sell the Common Shares on the NYSE through the Agent;*

*4.22 the Agent's sale of the Common Shares on behalf of Participants will be carried out on the NYSE in accordance with the applicable rules and requirements of the NYSE;*

*4.23 dividends of any kind paid to the Agent in respect of Common Shares held by the Agent on behalf of Participants under the Plan will be paid in cash, Common Shares or a combination of cash and Common Shares to the Participant at no additional cost to the Participant;*

*4.24 currently, the maximum number of Common Shares that may be issued under the Plan is the lesser of 290,000 Common Shares or 1% of the Common Shares outstanding as at September 3, 2002. The maximum number of Common Shares issuable under the Plan will be increased each October 1 beginning October 1, 2003 and ending October 1, 2011 by the lesser of 290,000 shares or 1% of the Common Shares outstanding as of the last day of the second quarter of the then current year as reported on Advanced Medical's Form 10-Q for such quarter. The limits on the number of shares issuable under the Plan apply to issuances to Participants worldwide and such maximum amounts are stated on an aggregate basis;*

*4.25 participation in the Plan is voluntary. Participants have not been, and will not be, induced to participate in the Plan or to acquire Common Shares under the Plan by expectation of employment or continued employment;*

*4.26 as of May 28, 2002, Advanced Medical had, in the aggregate, approximately 11 Participants residing in the Jurisdictions, of which 3 reside in Alberta, 1 resides in Manitoba, 1 resides in New Brunswick and 6 reside in Québec;*

*4.27 s of the date of this Application, residents of each of the Jurisdictions, and of Canada, hold less than 10% of the number of issued and outstanding Common Shares and represent less than 10% of the number of holders of Common Shares, as shown on Advanced Medical's books and records;*

*4.28 Advanced Medical will provide the Participants resident in each of the Jurisdictions with the same level of disclosure in respect of the Plan as provided to all other Participants. On becoming a holder of Common Shares under the Plan, Participants will be provided with the same level of disclosure in respect of*

*Advanced Medical as Advanced Medical provides to all other holders of Common Shares;*

*5. AND WHEREAS pursuant to the System this MRRS Decision Document evidences the decision of each Decision Maker;*

*6. 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 this Decision has been met;*

*7. THE DECISION of the Decision Makers under the Legislation is that the dealer registration requirement and the prospectus requirement will not apply to trades and distributions of Common Shares in connection with the Plan provided that the first trade of Common Shares acquired under the Plan will be deemed to be a distribution or primary distribution to the public under the Legislation of such Jurisdictions unless the conditions in subsection 2.14 of Multilateral Instrument 45-102 Resale of Securities ("MI 45-102") are satisfied;*

*8. THE FURTHER DECISION of the Decision Makers under the Legislation is that the dealer registration requirement will not apply to the first trade of Common Shares acquired by Participants under the Plan and made through the Agent provided that the conditions in section 2.14 of MI 45-102 are satisfied;*

*DATED this 1<sup>st</sup> day of October, 2002.*

<i>"original signed by" Glenda A. Campbell, Q.C., Vice-Chair</i>	<i>"original signed by" Eric T. Spink, Vice-Chair</i>
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*Headnote*

*Mutual Reliance Review System for Exemptive Relief Applications - registration and prospectus relief to allow shares of a U.S. parent company to trade to Canadian-resident employees.*

*Registration relief also granted to allow Canadian employees to execute first trades on a foreign market. First trade registration relief required because plan allows employees to acquire shares that have been purchased on a secondary market.*

*Applicable Alberta Statutory Provisions*

*Securities Act, R.S.A., 2000, c.S-4, s.75, 110, and 144(1)*