

October 26, 2006

IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,  
MANITOBA, ONTARIO, QUÉBEC, NEW BRUNSWICK,  
NOVA SCOTIA, AND YUKON  
(the Jurisdictions)

AND

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

AND

IN THE MATTER OF  
AGILENT TECHNOLOGIES, INC.  
(the Filer or Agilent)

MRRS DECISION DOCUMENT

**Background**

The local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions has received an application from the Filer, for a decision under the securities legislation of the Jurisdictions (the **Legislation**) exempting the Filer from the prospectus requirements (the **Prospectus Requirements**) and the dealer registration requirements (the **Registration Requirements**) of the Legislation in respect of the proposed distribution of ordinary shares (the Verigy Shares) of Verigy Ltd. (**Verigy**) by the Filer to shareholders of the Filer resident in the Jurisdictions by way of a special dividend (the Special Dividend) as part of the Filer's spin off of Verigy (the **Requested Relief**).

Under the Mutual Reliance Review System for Exemptive Relief Applications:

- (a) the Ontario Securities Commission is the principal regulator for this application; and
- (b) this MRRS decision document evidences the decision of each Decision Maker.

**Interpretation**

Defined terms contained in National Instrument 14-101 - *Definitions* have the same meaning in this decision unless they are defined in this decision.

## Representations

This decision is based on the following facts represented by the Filer:

1. Agilent was incorporated in 1999 and its executive offices are located in Santa Clara, California. It is presently a corporation in good standing incorporated under the laws of the State of Delaware. Agilent is a technology company specializing in electronic and bio-analytical measurement tools to advance the electronics, communications, life science research, environmental, and petro chemical industries.
2. The authorized share capital of Agilent consists of 2,000,000,000 shares of common stock (**Agilent Shares**) and 125,000,000 shares of preferred stock (**Agilent Preferred Shares**). As of August 31, 2006, there were 409,008,118 Agilent Shares and no Agilent Preferred Shares issued and outstanding.
3. Agilent is not a reporting issuer or the equivalent in any province and has no present intention of becoming a reporting issuer or the equivalent in any province.
4. The Agilent Shares are listed on the New York Stock Exchange under the symbol "A".
5. On August 15, 2005, Agilent announced its intention to separate its business relating to the design, development and manufacturing of semiconductor test equipment and certain related businesses (the **Business**) into a stand-alone publicly traded company focused on technology and innovation in semiconductor testing. The separation of the Business from Agilent and its transfer to Verigy was completed on June 1, 2006 (the **Spin-off**).
6. Prior to Verigy's initial public offering (**IPO**) on June 13, 2006, Verigy was a wholly owned subsidiary of Agilent. Pursuant to the IPO, Verigy sold approximately 8.7 million Verigy Shares at a price of U.S.\$15 per share.
7. As of July 31, 2006, Verigy had approximately 58.7 million Verigy Shares outstanding. No other share classes are issued or outstanding.
8. Verigy is not a reporting issuer or the equivalent in any province and has no present intention of becoming a reporting issuer or the equivalent in any province.
9. The Verigy Shares are listed on the NasdaqGS under the symbol "VRGY".
10. Agilent is planning to make a distribution of all of the 50 million Verigy Shares that it now holds to shareholders of Agilent by way of the Special Dividend. As a result of the Special Dividend, each Agilent shareholder will receive directly from Agilent at no cost, a percentage of the 50 million Verigy Shares being distributed equivalent to their percentage shareholding in Agilent on the record date.
11. As at August 31, 2006, there were 621 registered shareholders of Agilent resident in Canada of which approximately 374, 55, 63, 1, 13, 98, 3, 9 and 1 have addresses in Ontario, British

Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia and Yukon and 4 are believed to be resident in Canada, however Agilent is unable to determine the province or territory in which they are resident. Based on this information, Agilent shareholders resident in Canada constitute approximately 1.1674% of the 53,197 of registered Agilent shareholders worldwide on August 31, 2006. As such, the proportion of Agilent shareholders resident in Canada is *de minimis*.

12. As at August 31, 2006, Agilent's shareholders of record resident in the Jurisdictions held a total of 76,316 Agilent Shares being approximately .01866% of the total 409,008,118 outstanding Agilent Shares. As such, the proportion of issued and outstanding Agilent Shares held by Canadian residents is *de minimis*.

13. Agilent shareholders will not be required to pay for Verigy Shares received in the Special Dividend or to surrender or exchange Agilent Shares in order to receive Shares or to take any other action in connection with the Special Dividend. The Special Dividend will occur automatically and without any investment decision on the part of the Agilent shareholders.

14. Agilent shareholders will only receive whole Verigy Shares and will not receive any fractional Verigy Shares in connection with the distribution. Agilent shareholders who would be otherwise entitled to a fractional Verigy Share will receive cash in lieu of the fractional Verigy Share.

15. After the Special Dividend, Agilent will continue to be listed on the New York Stock Exchange and Verigy will continue to be listed on NasdaqGS.

16. The Special Dividend will be effected in compliance with the laws of the United States.

17. Under U.S. law, no vote, election, confirmation or other document is required from any Agilent shareholder for Agilent to make the Special Dividend to its shareholders.

18. All materials relating to the Special Dividend sent by or on behalf of Agilent in the United States will be sent concurrently to the Agilent shareholders resident in the Jurisdictions.

19. Following the Special Dividend, each of Agilent and Verigy, respectively, will send, to Agilent or Verigy shareholders resident in Canada, the same disclosure material that it sends to the shareholders of Agilent and Verigy with addresses worldwide in accordance with U.S. securities laws.

20. The Agilent shareholders resident in Canada who receive the Special Dividend will have the benefit of the same rights and remedies in respect of the disclosure documentation received in connection with the Special Dividend that are available under the laws of the United States to Agilent shareholders with addresses in the United States.

21. The proposed distribution of the Verigy Shares to Agilent shareholders pursuant to the Special Dividend would be exempt from the Prospectus Requirements and the Registration Requirements pursuant to subsection 2.31(2) and (3) of National Instrument 45-106 -- Prospectus

and Registration Exemptions but for the fact that Verigy is not a reporting issuer or equivalent under the Legislation.

### **Decision**

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 under the Legislation is that the Requested Relief is granted provided that the first trade of Verigy Shares acquired under this decision in a Jurisdiction shall be deemed to be a distribution or primary distribution to the public under the Legislation of such Jurisdiction unless the conditions in section 2.6 or subsection 2.14(1) of National Instrument 45-102 - *Resale of Securities* are satisfied.

"David L. Knight"  
Commissioner  
Ontario Securities Commission

"Wendell S. Wigle"  
Commissioner  
Ontario Securities Commission