

IN THE MATTER OF THE SECURITIES LEGISLATION
OF BRITISH COLUMBIA, ALBERTA, MANITOBA
AND NOVA SCOTIA

AND

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

AND

IN THE MATTER OF
LEXMARK INTERNATIONAL, INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Manitoba and Nova Scotia (collectively, the "Jurisdictions") has received an application from Lexmark International, Inc. ("Lexmark") for a decision under the securities legislation of the Jurisdictions (collectively, the "Legislation") that the requirements contained in the Legislation to be registered to trade in a security (the "Registration Requirement") and to file and obtain a receipt for a preliminary prospectus and a prospectus in respect of such security (the "Prospectus Requirement") shall not apply to the trades in securities of Lexmark under the Lexmark International Group, inc. 1999 Employee Stock Purchase Plan, as amended from time to time (the "Plan");

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Nova Scotia Securities Commission is the principal regulator for this application;

AND WHEREAS Lexmark has represented to the Decision Makers that:

1. Lexmark is a corporation incorporated under the laws of the State of Delaware;
2. Lexmark is not, and has no present intention of becoming, a reporting issuer or the equivalent under the legislation of any jurisdiction in Canada;
3. Lexmark is a reporting company with the United States Securities and Exchange Commission (the "SEC"). Lexmark is subject to the reporting requirements of the Securities Act of 1933, as amended (the "1933 Act"), and is current with such requirements;
4. the authorized share capital of Lexmark consists of 900,000,000 shares of Class A common stock (the "Class A Shares"), 10,000,000 shares of Class B common stock and 1,600,000 shares of preferred stock, of which approximately 127,352,686 Class A Shares were issued and outstanding as of July 1, 2000;

5. under the Plan, eligible employees of Lexmark and certain of Lexmark's affiliates (the "Participants") are able to purchase Class A Shares at a discount from the fair market value;
6. as of July 27, 2000, there were approximately 20 Participants resident in the Jurisdictions eligible to participate in the Plan;
7. participation in the Plan is voluntary and Participants are not induced to participate in the Plan or to acquire Class A Shares under the Plan by expectation of employment or continued employment;
8. the Class A Shares issued to Participants in Canada pursuant to the Plan will be newly issued shares;
9. In the United States, the Class A Shares issued under the Plan have been registered under a registration statement filed by Lexmark with the SEC pursuant to the 1933 Act.
10. Lexmark will use the services of an agent (the "Administrator") to carry out certain administrative functions with respect to the Plan. For example, the Administrator will maintain accounts and provide record-keeping services on behalf of Participants and purchase Class A Shares from Lexmark and distribute the Class A Shares to Participants' accounts in accordance with and pursuant to the Plan. The Participants may also use the Administrator to carry out first trades in Class A Shares acquired pursuant to the Plan. The Administrator is not a registered dealer or equivalent under the Legislation. The Administrator may be a registered dealer or equivalent under the applicable securities legislation of the United States. Where the Administrator is not a registered dealer or equivalent under the applicable securities legislation of the United States, the Administrator will use an agent (the "Agent") that is registered as a dealer or equivalent under the applicable securities legislation of the United States to carry out trades of Class A Shares pursuant to the Plan.
11. Participants resident in the Jurisdictions will be provided with a copy of the Plan, the disclosure material relating to the Plan that is provided to all other Participants and this Decision Document and, upon becoming a Lexmark stockholder, Participants resident in the Jurisdictions will be concurrently provided with the disclosure material relating to Lexmark that is provided to holders of Class A Shares resident in the United States;
12. at the time of any issuance of Class A Shares under the Plan, holders of Class A Shares whose last address as shown on the books of Lexmark is in Canada do not hold more than 10% of the total number of outstanding Class A Shares and do not represent in number more than 10% of the total number of holders of Class A Shares;
13. the Class A Shares are not listed or posted for trading on any securities exchange or over-the-counter market in Canada but are listed and posted for trading on the New York Stock Exchange;
14. the Legislation of certain of the Jurisdictions does not contain exemptions from the Prospectus Requirement and Registration Requirement for trades in Class A Shares to or by the Participants carried out through the Administrator and Agent;

15. when the Administrator and Agent sell Class A Shares on behalf of the Participants, the Participants, Administrator and Agent, as applicable, are not able to rely on the exemption from the Registration Requirement contained in the Legislation for trades made by a person acting solely through a registered dealer under the Legislation;

AND WHEREAS under the System this MRRS Decision Document evidences the decision of each of the Decision Makers (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 under the Legislation is that:

(a) the Registration Requirement and Prospectus Requirement shall not apply to the issuance by Lexmark to Participants of Class A Shares under the Plan, whether such issuance is made directly to the Participants or to the Administrator on behalf of the Participants, provided that the first trade in Class A Shares acquired under this Decision is deemed to be a distribution or a primary distribution to the public under the Legislation unless such trade is executed through the facilities of a stock exchange or organized market outside of Canada and in accordance with all the laws and rules applicable to such exchange or market; and

(b) the Registration Requirement shall not apply to the Administrator or the Agent in connection with trades in Class A Shares under the Plan or to first trades in Class A Shares acquired by Participants under the Plan made through the Administrator or the Agent or both.

Dated at Halifax. Nova Scotia this "22nd" day of September, 2000.