

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(the "Shares") made in connection with the Motorola Incentive Plan of 1998, as such plan may be amended, supplemented, superseded or re-enacted from time to time (the "Plan"), including Shares to be acquired upon the automatic reinvestment of dividends payable by Motorola (the "Dividend Reinvestments"):

(i) 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

(ii) shall not be subject to the requirements contained in the Legislation pertaining to bids to acquire or redeem securities of an issuer made by an issuer (the "Issuer Bid 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 becoming a reporting issuer under the Legislation.

2. The share capital of Motorola as at October 26, 1999 consisted of 1,400,000,000 Shares and 500,000 shares of Preferred Stock, of which 609,411,405 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, Chicago Stock Exchange, Tokyo Stock Exchange, and the London Stock Exchange Limited.

4. The purpose of the Plan is to promote the interests of Motorola and its stockholders by providing employees (the "Employees") of Motorola and its Subsidiaries (as defined under the Plan) with the opportunity, through stock ownership, to increase their proprietary interest in Motorola and their personal interest in its continued success and progress.

5. Under the Plan, eligible Employees are granted options ("Options") to acquire Shares, which Options, except in limited circumstances, are non-transferable, other than by will (or other death beneficiary designation) or the law of descent and distribution.

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

7. The Plan Broker will administer the operation of the Plan, including the exercise of Options by Employees, former Employees or the legal representatives of Employees or former Employees, as the case may be (collectively, the "Participants"), and the sale by Participants of any Shares acquired under the Plan, including Shares acquired upon the Dividend Reinvestments.

8. Shares issued to the Plan Broker on behalf of Participants upon the exercise of Options granted under the Plan will be authorized but unissued Shares or issued Shares reacquired by Motorola.

9. Shares purchased by the Plan Broker on behalf of Participants pursuant to the Dividend Reinvestments will be limited to Shares purchased in the open market through the facilities of a stock exchange outside of Canada.

10. Payment for Shares purchased upon the exercise of Options granted under the Plan may be made in cash, by the transfer to Motorola of Shares owned by the optionee (a "Share Payment") or a combination of these payment methods.

11. As at November 7, 1999, there were approximately 90,000 Employees eligible to participate in the Plan, of which there were 217 Employees in British Columbia, 30 Employees in Alberta, 1 Employee in Manitoba, 1 Employee in Saskatchewan, 624 Employees in Ontario, 92 Employees in Quebec and 12 Employees in Nova Scotia.

12. As at October 26, 1999, the aggregate number of Shares held by holders of record with addresses in any 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 any of the Jurisdictions was less than 1% of the total number of holders of record.

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

14. 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 Participants who acquire Shares upon the exercise of Options granted under the 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.

15. 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 Participants upon the exercise of Options granted under the 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 Participants pursuant to the Dividend Reinvestments.

16. An exemption from the Prospectus Requirements is not available in all of the Jurisdictions for trades by Canadian Participants in Shares acquired upon the exercise of Options granted under the Plan, and an exemption from the Registration Requirements is not available in all of the Jurisdictions for Wades by Canadian Participants in Shares acquired upon the exercise of Options granted under the Plan or pursuant to the Dividend Reinvestments through the Plan Broker.

17. The purchase of Shares from a Canadian Participant by Motorola in connection with a Share Payment will constitute an "issuer bid" as defined under the Legislation of each of the Jurisdictions. Exemptions from the issuer bid provisions of the Legislation may not be available for such purchases, since the formula under the Plan for establishing market value will not necessarily establish a price that is equal to or less than market value as prescribed under the Legislation. Furthermore, such exemptions are not available for purchases from legal representatives of Canadian Employees or former Canadian Employees.

18. Because there is no market for the Shares in Canada and none is expected to develop, any resale of the Shares acquired under the Plan 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 Participants upon the exercise of Options granted under the Plan,

(ii) the purchase of Shares through the facilities of a stock exchange outside of Canada by the Plan Broker on behalf of Canadian Participants pursuant to the Dividend Reinvestments, or

(iii) the activities of the Plan Broker in connection with the foregoing,

provided that the first trade in the Shares acquired in the manner described in paragraph 1(i), above, shall be subject to the Prospectus Requirements;

2. the first trade in Shares acquired by a Canadian Participant upon the exercise of Options granted under the Plan shall not be subject to the Prospectus Requirements, and the Registration Requirements shall not apply to the first trade in Shares acquired upon the exercise of Options granted under the Plan or pursuant to the Dividend Reinvestments where the first trade is made by a Canadian Participant through the Plan Broker, provided that:

(i) at the time of the trade, Motorola is not a reporting issuer in any of the Jurisdictions;

(ii) 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 maybe listed or quoted for trading, the Nasdaq National Market or The Stock Exchange Automated Quotation System of the London Stock Exchange Limited; and

3. the Issuer Bid Requirements of the Legislation shall not apply to the purchase of Shares from a Canadian Participant by Motorola in connection with a Share Payment.

DATED at Toronto this "20" day of March, 2000.