

IN THE MATTER OF  
THE SECURITIES LEGISLATION  
OF ONTARIO, BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, QUÉBEC,  
NEW BRUNSWICK, NOVA SCOTIA, NEWFOUNDLAND AND THE NORTHWEST  
TERRITORIES

AND

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

AND

IN THE MATTER OF TYCO INTERNATIONAL LTD.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Newfoundland, and the Northwest Territories (collectively, the "Jurisdictions") has received an application from Tyco International Ltd. (the "Filer") for a decision, pursuant to the securities legislation (the "Legislation") of the Jurisdiction, that the requirement of the Legislation that prohibits a person or company from trading in a security unless the person or company is registered in the appropriate category of registration under the Legislation (the "Registration Requirement") shall not apply to first trades in common shares of the Filer (the "Shares") acquired by Canadian Participants (as defined below) pursuant to an employee stock purchase plan (the "Plan") of the Filer, made on behalf of the Canadian Participant by Computershare Investor Services Inc. (the "Agent") and Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Dealer"), through the facilities of a stock exchange outside of Canada.

AND WHEREAS, pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "MRRS"), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS the Filer has represented to the Decision Makers that:

1. The Filer is a company formed under the laws of Bermuda. The Filer is a reporting issuer under the Legislation in all of the Jurisdictions except New Brunswick, Newfoundland, and the Northwest Territories. The Filer's reporting issuer status resulted from its merger with ADT Limited in 1997.
2. The Filer is a diversified manufacturing and service company that, through its subsidiaries: (i) designs, manufactures and distributes electrical and electronic components and multi-layer printed circuit boards; (ii) designs, engineers, manufactures, installs, operates and maintains undersea cable communications systems; (iii) designs, manufactures and distributes disposable

medical supplies and other specialty products; (iv) designs, manufactures, installs and services fire detection and suppression systems and installs, monitors and maintains electronic security systems; and (v) designs, manufactures and distributes flow control products and provides environmental consulting services.

3. The authorized share capital of the Filer consists of 2,500,000,000 Shares. As at January 26, 2001, 1,752,274,615 Shares were issued and outstanding.

4. The Shares are listed on the New York Stock Exchange (the "NYSE"), the London Stock Exchange and the Bermuda Stock Exchange. The Shares are not listed for trading on any stock exchange in Canada. The Filer is not now and has no intention of applying to have the shares or any of its securities listed on any stock exchange in Canada.

5. The Shares are registered under the United States *Securities Exchange Act of 1934*, as amended (the "1934 Act"). The Filer is not in default of the requirements of the 1934 Act and is not exempt from the reporting requirements of the 1934 Act pursuant to Rule 12g 3-2 made thereunder.

6. Subject to certain exceptions, all employees and officers of the Filer and its affiliates (the "Tyco Group") are invited to participate in the Plan ("Eligible Employees"). As of March, 2001 there were approximately 4,947 Eligible Employees resident in Canada, broken down by Jurisdiction as follows: Ontario (2,617), British Columbia (301), Alberta (842), Saskatchewan (59), Manitoba (118), Quebec (882), New Brunswick (19), Nova Scotia (81), Newfoundland (22), and the Northwest Territories (6). Eligible Employees resident in the Jurisdictions represent in the aggregate approximately 2.5% of the number of Eligible Employees worldwide.

7. The Plan was established to encourage stock ownership in the Filer by Eligible Employees so that they might share in the growth of the Filer by acquiring or increasing their proprietary interest in the Filer.

8. Participation in the Plan is voluntary and Eligible Employees will not be induced to participate in the Plan by expectation of employment or continued employment.

9. Under the Plan, Eligible Employees resident in the Jurisdictions who elect to participate in the Plan (the "Canadian Participants") will authorize their employer to make payroll deductions for the purchase of Shares on the NYSE, up to a maximum of 100% of the employee's base monthly salary or commission.

10. The Canadian Participant's employer will make a matching contribution to the Plan each month equal to 15% of the Canadian Participant's payroll deduction. On a monthly basis, the employer will remit the total of the Canadian Participant and employer contributions to the Agent. The funds (including any dividends paid to Canadian Participants in respect of Shares purchased under the Plan) will be used by the Dealer to purchase Shares on the NYSE.

11. The Shares purchased on behalf of the Canadian Participants pursuant to the Plan will be held for the Canadian Participants by the Agent. The Canadian Participant's employer will pay

all account maintenance and brokerage fees for the purchase of Shares on behalf of its employees pursuant to the Plan. The Canadian Participants will pay brokerage fees for the sale of any Shares obtained by the Canadian Participant through the Plan.

12. The Dealer is licensed with the U.S. Securities and Exchange Commission (the "SEC") and both the Dealer and Agent are licensed with the National Association of Securities Dealers, Inc. The Plan is subject to regulatory oversight by the SEC and all Canadian Participants will receive or have received copies of the Plan and all disclosure materials relating to the Filer furnished to Plan participants resident in the United States, including a prospectus which complies with the applicable rules of the SEC.

13. All sales of Shares under the Plan on behalf of Canadian Participants will be made through the Agent and the Dealer, through the facilities of and in accordance with the rules of the NYSE.

14. As of March 2001, registered holders of Shares resident in the Jurisdictions held less than 0.5 percent of the issued and outstanding Shares worldwide and represented less than 5 percent of the total number of registered holders of Shares worldwide.

15. In view of the size of the outstanding share capital of the Filer, it is anticipated that, with the continued operation of the Plan, holders of Shares in the Jurisdictions will, in the aggregate, continue to hold less than 5 percent of the outstanding Shares worldwide, and that the number of holders of Shares in the Jurisdictions will be less than 5 percent of the total number of holders worldwide.

16. Since there is no market for the Shares in the Jurisdictions, and none is expected to develop, it is anticipated that any sale of Shares acquired by a Canadian Participant pursuant to the Plan will be effected through the facilities of and in accordance with the rules of the NYSE or such other stock exchange or market outside Canada on which the Shares may be listed or quoted for trading.

17. Absent this Decision, Canadian Participants will be unable to rely upon exemptions for employees from registration requirements in the Legislation in Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Newfoundland and the Northwest Territories if Shares acquired by the Canadian Participant under the Plan are sold on a stock exchange outside of Canada otherwise than through an appropriately registered dealer.

18. Since the Filer is a reporting issuer in Ontario and British Columbia, absent this Decision, the Canadian Participants will be unable to rely on exemptions for employees from the Registration Requirements in the Legislation of Ontario and British Columbia to effect future trades in Shares if Shares acquired by the Canadian Participant under the Plan are sold on a stock exchange outside of Canada otherwise than through an appropriately registered dealer.

AND WHEREAS pursuant to the MRRS this 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 under the Legislation is that the Registration Requirement in the Legislation shall not apply to first trades by a Canadian Participant in any Shares acquired by the Canadian Participant under the Plan, made on behalf of the Canadian Participant by the Agent and Dealer, provided that:

(a) at the time of acquisition of the Shares by the Canadian Participant

(i) persons or companies whose last address as shown on the books of the Filer as in any one of the Jurisdictions and who held Shares

A. did not hold more than 5 percent of the outstanding Shares; and

B. did not represent in number more than 5 percent of the total number of holders of Shares; or

(ii) persons or companies who were in any one of the Jurisdictions and who beneficially owned Shares

A. did not beneficially own more than 5 percent of the outstanding Shares; and

B. did not represent in number more than 5 percent of the total number of holders of Shares; and

(b) the first trade is executed

(i) through the facilities of a stock exchange outside Canada;

(ii) on the Nasdaq Stock Market; or

(iii) on the Stock Exchange Automated Quotation System of the London Stock Exchange Limited.

DATED at Toronto, this "23<sup>rd</sup>" day of "May", 2001"

"J.A. Geller"

"R. Stephen Paddon"