



**Motorola Solutions, Inc.**  
500 West Monroe Street  
Chicago, Illinois 60661, USA

**THE MOTOROLA SOLUTIONS  
EMPLOYEE STOCK PURCHASE PLAN OF 1999  
AS AMENDED AND RESTATED EFFECTIVE MAY 18, 2015  
(THE "ESPP")**

**Prospectus for the employees of certain European Economic Area ("EEA") subsidiaries  
of Motorola Solutions, Inc., subject to the applicable legislation in each country**



**Pursuant to articles L. 412-1 and L. 621-8 of the *Code Monétaire et Financier* and its General Regulation, in particular Articles 211-1 to 216-1 thereof, the *Autorité des marchés financiers* ("AMF") has attached visa number 18-395 dated August 24, 2018, onto this prospectus. This prospectus was established by the issuer and incurs the responsibility of its signatories. The visa, pursuant to the provisions of Article L. 621-8-1-I of the *Code Monétaire et Financier*, was granted after the AMF verified that the document is complete and comprehensible, and that the information it contains is consistent. The visa represents neither the approval of the worthiness of the operation nor the authentication of the financial and accounting information presented.**

This prospectus will be made available in printed form to employees of the EEA subsidiaries of Motorola Solutions, Inc. based in countries in which offering under the plan listed above is considered a public offering at the respective head offices of their employers. In addition, this prospectus along with summary translations (as applicable) will be posted on Motorola Solutions, Inc.'s intranet and free copies will be available to the employees upon request by contacting the human resources departments of their employers. This prospectus will also be available on the website of the AMF, [www.amf-france.org](http://www.amf-france.org).

## NOTE TO THE PROSPECTUS

This prospectus, which contains material information concerning Motorola Solutions, Inc., was established pursuant to articles 211-1 to 216-1 of the AMF General Regulation. Pursuant to Article 25 of Commission Regulation (EC) No 809/2004 of 29 April 2004, as amended (the "Prospectus Regulation"), this prospectus is composed of the following parts in the following order:

- (1) a table of contents,
- (2) the summary provided for in Article 5(2) of Directive 2003/71/EC of the European Parliament and of the European Council of 4 November 2003, as amended (the "Prospectus Directive") (Part I constitutes the prospectus summary),
- (3) the risk factors linked to the issuer and the type of security covered by the issue, and
- (4) excerpts from Annexes I and III of the Prospectus Regulation which, by application of Articles 3, 4, and 6 of the Prospectus Regulation and question 71 of the European Securities and Markets Authority ("ESMA") Q&A<sup>1</sup> are required for this offering of equity securities to employees of Motorola Solutions, Inc. and its affiliates.

This prospectus also contains supplemental information concerning the ESPP (Part II - Section B) as well as the following document (Exhibit):

- The Motorola Solutions Employee Stock Purchase Plan of 1999 as amended and restated effective May 18, 2015.

When used in this prospectus, the terms "we," "us," "our" mean Motorola Solutions, Inc. and its subsidiaries.

All references to "\$" in this prospectus refer to US Dollars.

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<sup>1</sup> Questions and Answers, Prospectuses: 28th updated version – March 2018 (28 March 2018| ESMA-31-62-780).  
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**COMPANY REPRESENTATIVE FOR PROSPECTUS**

- 1.1** Gino A. Bonanotte, Executive Vice President and Chief Financial Officer, acting for and on behalf of Motorola Solutions, Inc.
- 1.2** To my knowledge, after having taken all reasonable measures for this purpose, the information contained in this prospectus fairly reflects the current situation and no material omission has been made.
- 1.3** Motorola Solutions, Inc. has obtained a letter from its independent registered public accounting firm in relation to this prospectus. The independent registered public accounting firm has, in accordance with the professional standards and interpretations applicable to it under the standards of the Public Company Accounting Oversight Board (United States) pursuant to AS 2710, *Other Information in Documents Containing Audited Financial Statements*, read the information pertaining to the financial condition and consolidated financial statements for the fiscal years ended December 31, 2017, 2016 and 2015 and the condensed consolidated financial statements for the three months and six months ended June 30, 2018 and July 1, 2017 of Motorola Solutions, Inc. contained in this prospectus and read the prospectus.

/s/ Gino A. Bonanotte \_\_\_\_\_  
Gino A. Bonanotte  
Executive Vice President and Chief Financial  
Officer of Motorola Solutions, Inc.

Chicago, Illinois, USA, August 23, 2018

## PART I — PROSPECTUS SUMMARY

## VISA NUMBER 18-395 DATED AUGUST 24, 2018 OF THE AMF

Summaries are made up of disclosure requirements known as "Elements." These Elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable."

## SECTION A — INTRODUCTION AND WARNINGS

<b>A.1</b>	<b>Warning to the reader</b>	This summary should be read as an introduction to the prospectus. Any decision to invest in the securities should be based on consideration of the prospectus as a whole by the investor. Where a claim relating to the information contained in the prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus or it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities.
<b>A.2</b>	<b>Consent to use of the prospectus</b>	Not applicable. There is no subsequent resale or final placement of securities by financial intermediaries.

## SECTION B — ISSUER

<b>B.1</b>	<b>Legal and commercial name of the issuer</b>	Motorola Solutions, Inc. ("Motorola Solutions" or the "Company").
<b>B.2</b>	<b>Domicile and legal form of Motorola Solutions, the legislation under which the issuer operates and its country of incorporation</b>	Motorola Solutions' principal offices are located at 500 West Monroe Street, Chicago, Illinois 60661, USA.  The Company is a corporation incorporated under the laws of the State of Delaware, USA.

<p><b>B.3</b></p>	<p><b>Description of the nature of Motorola Solutions' current operations and its principal activities</b></p>	<p>Motorola Solutions is a leading global provider of mission-critical communication infrastructure, devices, accessories, software, and services. Its products and services help government, public safety and commercial customers improve their operations through increased effectiveness, efficiency, and safety of their mobile workforces. The Company serves its customers with a global footprint of sales in more than 100 countries and 16,000 employees worldwide, based on its industry leading innovation and a deep portfolio of products and services.</p> <p>During the second quarter of 2018, the Company modified its internal reporting structure to better align the way financial information is reported to and analyzed by executive leadership, in part, as a result of recent acquisitions contributing to the growth within the newly aligned Services and Software segment. Previously, the Company had two reporting segments: Products and Services. The changes in the reporting structure consist of Systems Integration related revenue and costs moving from the old Services segment into the newly presented Products and Systems Integration segment and Software related revenue and costs moving from the old Products segment into the newly presented Services and Software segment.</p> <p>The Company conducts its business globally and manages it through the following two segments:</p> <ul style="list-style-type: none"> <li>• <b>Products and Systems Integration:</b> The Products and Systems Integration segment offers an extensive portfolio of infrastructure, devices, accessories, video solutions, and the implementation, optimization, and integration of such systems, devices, and applications, including the Company's: (i) "ASTRO" products, which meet the Association of Public Safety Communications Officials Project 25 standard, (ii) "Dimetra" products which meet the European Telecommunications Standards Institute Terrestrial Trunked Radio "TETRA" standard, (iii) Professional and Commercial Radio ("PCR") products, (iv) broadband technology products, such as Long-Term Evolution ("LTE"), and (v) video solutions, such as video surveillance cameras. The primary customers of the Products and Systems Integration segment are government, public safety and first-responder agencies, municipalities, and commercial and industrial customers who operate private communications networks and video solutions and manage a mobile workforce.</li> <li>• <b>Services and Software:</b> The Services and Software segment provides a full set of offerings for government, public safety and commercial communication networks. Services includes a continuum of service offerings beginning with repair, technical support and maintenance. More advanced offerings include monitoring, software updates and cybersecurity services. Managed services offerings range from partial to full operation of customer or Motorola Solutions owned networks. Software includes public safety and enterprise command center solutions, unified communications applications, video software solutions, delivered both on premise and "as a service".</li> </ul>
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		<p>The following table sets forth net sales by segment for the three years ended December 31, 2017, 2016 and 2015 (in millions of US Dollars):</p> <table border="1"> <thead> <tr> <th rowspan="2"><i>Years ended December 31</i></th> <th colspan="3"><i>Net Sales</i></th> </tr> <tr> <th><b>2017</b></th> <th>2016</th> <th>2015</th> </tr> </thead> <tbody> <tr> <td>Products</td> <td><b>\$ 3,772</b></td> <td>\$ 3,649</td> <td>\$ 3,676</td> </tr> <tr> <td>Services</td> <td><b>2,608</b></td> <td>2,389</td> <td>2,019</td> </tr> <tr> <td></td> <td><b>\$ 6,380</b></td> <td>\$ 6,038</td> <td>\$ 5,695</td> </tr> </tbody> </table> <p>For the years ended December 31, 2017, 2016 and 2015, no single customer accounted for more than 10% of the Company's net sales.</p> <p>The following table sets forth net sales by segment for the three months and six months ended June 30, 2018 and July 1, 2017 conforming to the current presentation (in millions of US Dollars):</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2"><i>Three Months Ended</i></th> <th colspan="2"><i>Six Months Ended</i></th> </tr> <tr> <th><b>June 30, 2018</b></th> <th>July 1, 2017</th> <th><b>June 30, 2018</b></th> <th>July 1, 2017</th> </tr> </thead> <tbody> <tr> <td>Products and Systems Integration</td> <td><b>\$ 1,189</b></td> <td>\$ 1,047</td> <td><b>\$ 2,141</b></td> <td>\$ 1,901</td> </tr> <tr> <td>Services and Software</td> <td><b>571</b></td> <td>450</td> <td><b>1,086</b></td> <td>876</td> </tr> <tr> <td></td> <td><b>\$ 1,760</b></td> <td>\$ 1,497</td> <td><b>\$ 3,227</b></td> <td>\$ 2,777</td> </tr> </tbody> </table>	<i>Years ended December 31</i>	<i>Net Sales</i>			<b>2017</b>	2016	2015	Products	<b>\$ 3,772</b>	\$ 3,649	\$ 3,676	Services	<b>2,608</b>	2,389	2,019		<b>\$ 6,380</b>	\$ 6,038	\$ 5,695		<i>Three Months Ended</i>		<i>Six Months Ended</i>		<b>June 30, 2018</b>	July 1, 2017	<b>June 30, 2018</b>	July 1, 2017	Products and Systems Integration	<b>\$ 1,189</b>	\$ 1,047	<b>\$ 2,141</b>	\$ 1,901	Services and Software	<b>571</b>	450	<b>1,086</b>	876		<b>\$ 1,760</b>	\$ 1,497	<b>\$ 3,227</b>	\$ 2,777
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<b>B.4a</b>	<b>Recent trends</b>	<p><b><i>Financial Results</i></b></p> <p>On August 2, 2018, Motorola Solutions reported its earnings results for the second quarter of 2018. Motorola Solutions reported Generally Accepted Accounting Principles in the United States of America ("U.S. GAAP") earnings per Share<sup>2</sup> from continuing operations<sup>3</sup> of \$1.05, up 35 percent.</p> <p>Sales of \$1,760 million increased 18 percent, driven by growth in all regions. Approximately \$154 million of revenue growth was related to acquisitions, and \$24 million was related to the adoption of accounting standard ASU No. 2014-09, "Revenue from Contracts with Customers," and all the related amendments. The Products and Systems Integration segment grew 14 percent driven by the Americas and Europe, Middle East and Africa ("EMEA"). The Services and Software segment grew 27 percent led by the Americas and EMEA.</p> <p>During the second quarter of 2018, the Company generated \$425 million in operating cash, compared with \$173 million of operating cash generated in the year-ago quarter. Free cash flow (i.e., operating cash flow less capital expenditures) was \$384 million, compared with \$120 million of free cash flow generated in the year-ago quarter. Cash flow for the quarter was higher on improved working capital and higher earnings.</p> <p>For the third quarter 2018, Motorola Solutions expects revenue growth of approximately 13 percent compared with the third quarter of 2017. The</p>																																											

<sup>2</sup> Shares of common stock, par value \$.01 per share (the "Shares").

<sup>3</sup> Amounts attributable to Motorola Solutions, Inc. common shareholders.

		<p>Company assumes no obligation to update this statement.</p> <p>On August 3, 2018, Motorola Solutions filed with the U.S. Securities and Exchange Commission (the "SEC") its Quarterly Report on Form 10-Q for the quarter ended June 30, 2018 ("Second Quarter 10-Q").</p> <p><b>Acquisitions</b></p> <p>On April 9, 2018, the Company completed the acquisition of a provider of two-way radio communications for a gross purchase price of \$11 million, recognizing \$7 million of identifiable intangible assets, which will be amortized over a period of seven years.</p> <p>On March 28, 2018, the Company completed the acquisition of Avigilon Corporation, a provider of advanced end-to-end security and surveillance solutions including video analytics, network video management hardware and software, surveillance cameras and access control solutions for a purchase price of \$974 million.</p> <p>On March 7, 2018, the Company completed the acquisition of Plant Holdings, Inc., the parent company of Airbus DS Communications for a purchase price of \$237 million net cash. This acquisition will expand the Company's software portfolio in the Command Center with additional solutions for Next Generation 9-1-1.</p>																				
<b>B.5</b>	<b>Organizational structure</b>	<p>Motorola Solutions is the parent company of the Motorola Solutions group. Motorola Solutions has operating subsidiaries in 49 countries including the United States. Motorola Solutions holds, directly or indirectly, 100% of the capital and voting rights of all of its operating subsidiaries, including the 16 significant operating subsidiaries and the 9 significant subsidiaries held by Motorola Solutions, with the exception of two joint ventures in which it holds indirectly 65% and directly 99.3%, respectively, of the capital and voting rights.</p>																				
<b>B.6</b>	<b>Interests in Motorola Solutions' capital or voting rights</b>	<p>Not applicable. Pursuant to its Q&amp;A, ESMA considers that Item 18 of Annex I of the Prospectus Regulation is generally not pertinent for offers of shares to employees and can thus be omitted from the prospectus in accordance with Article 23.4 of the Prospectus Regulation.</p>																				
<b>B.7</b>	<b>Financial information concerning Motorola Solutions for the fiscal years ended December 31, 2017, 2016 and 2015, and for the three months and six months ended June 30, 2018 and July 1, 2017</b>																					
<p>The selected financial data of Motorola Solutions set out in this prospectus have been derived in part from Motorola Solutions' consolidated financial statements prepared in accordance with U.S. GAAP.</p> <p style="text-align: center;"><b>SELECTED THREE-YEAR FINANCIAL DATA</b></p> <p style="text-align: right;"><i>Years Ended December 31</i></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><i>(In millions, except per share amounts)</i></th> <th style="text-align: right;"><b>2017</b></th> <th style="text-align: right;">2016</th> <th style="text-align: right;">2015</th> </tr> </thead> <tbody> <tr> <td colspan="4"><b>Operating Results</b></td> </tr> <tr> <td>Net sales</td> <td style="text-align: right;"><b>\$ 6,380</b></td> <td style="text-align: right;">\$ 6,038</td> <td style="text-align: right;">\$ 5,695</td> </tr> <tr> <td>Operating earnings</td> <td style="text-align: right;"><b>1,282</b></td> <td style="text-align: right;">1,067</td> <td style="text-align: right;">994</td> </tr> <tr> <td>Earnings (loss) from continuing operations, net of tax*</td> <td style="text-align: right;"><b>(155)</b></td> <td style="text-align: right;">560</td> <td style="text-align: right;">640</td> </tr> </tbody> </table>			<i>(In millions, except per share amounts)</i>	<b>2017</b>	2016	2015	<b>Operating Results</b>				Net sales	<b>\$ 6,380</b>	\$ 6,038	\$ 5,695	Operating earnings	<b>1,282</b>	1,067	994	Earnings (loss) from continuing operations, net of tax*	<b>(155)</b>	560	640
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<b>Per Share Data (in dollars)</b>				
Diluted earnings (loss) from continuing operations per common share*	<b>\$ (0.95)</b>	\$ 3.24	\$ 3.17	
Earnings (loss) per diluted common share*	<b>(0.95)</b>	3.24	3.02	
Diluted weighted average common shares outstanding (in millions)	<b>162.9</b>	173.1	201.8	
Dividends declared per share	<b>\$ 1.93</b>	\$ 1.70	\$ 1.43	
<b>Balance Sheet</b>				
Total assets	<b>\$ 8,208</b>	\$ 8,463	\$ 8,346	
Total debt	<b>4,471</b>	4,396	4,349	
Total stockholders' deficit	<b>(1,727)</b>	(952)	(96)	
<b>Other Data</b>				
Capital expenditures	<b>\$ 227</b>	\$ 271	\$ 175	
% of sales	<b>3.6%</b>	4.5%	3.1%	
Research and development expenditures	<b>\$ 568</b>	\$ 553	\$ 620	
% of sales	<b>8.9%</b>	9.2%	10.9%	
* Amounts attributable to Motorola Solutions, Inc. common shareholders.				
<b>SELECTED QUARTERLY FINANCIAL DATA (Unaudited)</b>				
<b>Condensed Consolidated Statements of Operations Data</b>				
<i>(In millions, except per share amounts)</i>	<i>Three Months Ended</i>		<i>Six Months Ended</i>	
	<b>June 30, 2018</b>	<i>July 1, 2017</i>	<b>June 30, 2018</b>	<i>July 1, 2017</i>
Net sales	<b>1,760</b>	1,497	<b>3,227</b>	2,777
Operating earnings	<b>273</b>	261	<b>445</b>	433
Net earnings before income taxes	<b>227</b>	205	<b>367</b>	324
Net earnings	<b>181</b>	132	<b>298</b>	210
<i>Earnings per common share:</i>				
Basic	<b>\$ 1.11</b>	\$ 0.80	<b>\$ 1.83</b>	\$ 1.27
Diluted	<b>\$ 1.05</b>	\$ 0.78	<b>\$ 1.73</b>	\$ 1.23
<i>Weighted average common shares outstanding:</i>				
Basic	<b>162.2</b>	163.1	<b>161.7</b>	163.7
Diluted	<b>171.7</b>	169.0	<b>171.1</b>	169.5
Dividends declared per share	<b>\$ 0.52</b>	\$ 0.47	<b>\$ 1.04</b>	\$ 0.94
<b>Condensed Consolidated Balance Sheets Data</b>				
<i>(In millions)</i>	<b>June 30, 2018</b>	<i>December 31, 2017 (1)</i>		
Total assets	<b>\$ 8,881</b>	\$ 8,208		
Total debt	<b>\$ 5,645</b>	\$ 4,471		
Total stockholders' deficit	<b>\$ (1,492)</b>	\$ (1,727) (2)		
(1) Derived from audited consolidated balance sheets.				
(2) The stockholders' deficit is primarily the result of the Company's share repurchase program. Through a series of actions, Motorola Solutions' Board of Directors (the "Board") has authorized the Company to repurchase in the aggregate up to \$14.0 billion of its outstanding Shares (the "share repurchase program"). The share repurchase program does not have an expiration date. As of June 30, 2018, the Company had used approximately \$12.4 billion of the share repurchase authority, including transaction costs, to repurchase Shares, leaving \$1.6 billion of authority available for future repurchases.				

<b>B.8</b>	<b>Pro forma financial information</b>	Not applicable. Pursuant to its Q&A, ESMA considers that Item 20.2 of Annex I of the Prospectus Regulation is generally not pertinent for offers of shares to employees and can thus be omitted from the prospectus in accordance with Article 23.4 of the Prospectus Regulation.
<b>B.9</b>	<b>Profit forecast or estimate</b>	Not applicable. This prospectus does not contain any profit forecast or estimate.
<b>B.10</b>	<b>Qualifications in the audit report on the historical financial information</b>	Not applicable. There are no such qualifications in the auditors' reports for fiscal years 2017, 2016 or 2015.
<b>B.11</b>	<b>Working capital statement</b>	Not applicable. Motorola Solutions' working capital is sufficient for its present requirements.

### SECTION C — SECURITIES

<b>C.1</b>	<b>Type and class of the securities being offered, including the security identification code</b>	<p>The Shares offered pursuant to this prospectus either can be authorized but unissued shares or reacquired shares (i.e., treasury shares) or the Shares purchased in the open market.</p> <p>The Shares are or will be, after their issuance, listed on the New York Stock Exchange ("NYSE") under the symbol "MSI." The CUSIP for the Shares is 620076307.</p>
<b>C.2</b>	<b>Currency of the securities issue</b>	The United States Dollar is the currency of the securities issue.
<b>C.3</b>	<b>Number of shares issued</b>	As of June 30, 2018, Motorola Solutions was authorized to issue 600,500,000 shares, consisting of 600,000,000 Shares and 500,000 shares of preferred stock, par value \$100. As of June 30, 2018, there were 162,266,801 Shares outstanding, all of which are fully paid, and no shares of preferred stock outstanding.
<b>C.4.</b>	<b>Rights attached to the securities</b>	<p>No participating employee shall have any voting, dividend, or other shareholder rights with respect to any offering under the ESPP until the Shares have been purchased by the participating employee. Following such purchase, the participating employee shall be entitled to the rights attached to the Shares, as further described below:</p> <p><b>Dividend Rights.</b> Article 4(2) of the Restated Certificate of Incorporation of Motorola, Inc., as Amended through May 5, 2009 and Certificate of Amendment to the Restated Certificate of Incorporation of Motorola, Inc., effective January 4, 2011 (the "Certificate of Incorporation") provides that the holders of Shares shall be entitled to dividends only if, when and as the same shall be declared by the Board and as may be permitted by law. Under the General Corporation Law of the State of Delaware (U.S.A.) (the "DGCL") and subject to preferences that may apply to shares of Motorola Solutions preferred stock outstanding at the time, the holders of</p>

		<p>outstanding Shares are entitled to receive dividends either (1) out of the surplus, or (2) in case there shall be no such surplus, out of the company's net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year as the Board may from time to time determine (see Section 170 DGCL).</p> <p><b>Voting Rights.</b> Article 4(3) of the Certificate of Incorporation provides that each Share shall entitle the holder thereof to one vote, in person or by proxy, at any and all meetings of the stockholders of the Company on all propositions before such meetings and elections of Directors of Motorola Solutions.</p> <p><b>Right to Receive Liquidation Distributions.</b> Upon a liquidation, dissolution or winding-up of the Company, the assets legally available for distribution to stockholders are distributable ratably among the holders of the Shares outstanding at that time after payment of any liquidation preferences on any outstanding preferred stock.</p> <p><b>No Preemptive, redemptive or conversion provisions.</b> The Shares are not entitled to preemptive rights and are not subject to conversion or redemption.</p>
<b>C.5</b>	<b>Transferability restrictions</b>	Not applicable. The Shares in this offering are registered on Form S-8 with the SEC and are generally freely transferable.
<b>C.6</b>	<b>Admission to trading on a regulated market</b>	Not applicable. As noted in Element C.1 above, the Shares are listed on the NYSE.
<b>C.7</b>	<b>Dividend policy</b>	The Company paid its first quarterly dividend in 2011, at an amount of \$0.22 per Share. Currently, the Company pays a quarterly dividend of \$0.52 per Share. Future dividends are subject to declaration by the Board.

## SECTION D — RISKS

<b>SECTION D — RISKS</b>		
<b>D.1</b>	<b>Key risks related to Motorola Solutions or its industry</b>	<p>Set forth below are summaries of the key risks, uncertainties and other factors that may affect Motorola Solutions' future results. The risks and uncertainties described below are not the only ones facing Motorola Solutions.</p> <ul style="list-style-type: none"> <li>• The Company faces a number of risks related to current global economic and political conditions, including low economic growth rates in certain markets, the impact of currency fluctuations, falling commodity prices, and unstable political conditions that have and could continue to unfavorably impact its business.</li> <li>• A security breach or other significant disruption of the Company's information technology ("IT") systems, those of its outsource partners, suppliers or those the Company manufactures, installs, and in some cases operates and maintains for its customers, caused by cyber attack or other means, could have a negative impact on the Company's</li> </ul>

		<p>operations, sales, and operating results.</p> <ul style="list-style-type: none"> <li>• A significant amount of the Company's international business is transacted in local currency and a significant percentage of its cash and cash equivalents are held outside of the United States, which exposes it to risk relating to currency fluctuations, changes in foreign exchange regulations and repatriation delays and costs, which could negatively impact its sales, profitability and financial flexibility.</li> <li>• A portion of the Company's business is dependent upon U.S. government contracts and grants, which are highly regulated and subject to oversight audits by U.S. government representatives and subject to cancellations. Such audits could result in adverse findings and negatively impact its business.</li> <li>• The Company no longer owns certain logos and other trademarks, trade names and service marks, including MOTOROLA, MOTO, MOTOROLA SOLUTIONS and the Stylized M logo and all derivatives and formatives thereof ("Motorola Marks") and it licenses the Motorola Marks from Motorola Trademark Holdings, LLC ("MTH"), which is currently owned by Motorola Mobility Holdings, Inc. ("Motorola Mobility"), a subsidiary of Lenovo Group ("Lenovo"). Its joint use of the Motorola Marks could result in product and market confusion and negatively impact its ability to expand its business under the Motorola brand. In addition, if the Company does not comply with the terms of the license agreement it could lose its rights to the Motorola Marks. Because of the change of control of Motorola Mobility, which is now owned by Lenovo, the Company may find that an incompatible third-party owns the Motorola Marks.</li> <li>• The Company's employees, customers, suppliers and outsource partners are located throughout the world and, as a result, the Company faces risks that other companies that are not global may not face.</li> <li>• The Company's success depends in part on its timely introduction of new products and technologies and its results can be impacted by the effectiveness of its significant investments in new products and technologies.</li> <li>• The Company expects to continue to make strategic acquisitions of other companies or businesses and these acquisitions introduce significant risks and uncertainties, including risks related to integrating the acquired businesses and achieving benefits from the acquisitions.</li> <li>• The Company has completed a number of large divestitures over the last several years and has ongoing obligations and potential liabilities associated with those transactions and the businesses it divested. In addition, these divestitures have resulted in less diversity of its business and its customer base, which could negatively impact its financial results in the event of a downturn in its mission-critical communications business.</li> <li>• The Company faces many risks relating to intellectual property rights.</li> <li>• The Company may not have the ability to settle the principal amount of the \$1 billion of 2% Senior Convertible Notes (the "Senior Convertible</li> </ul>
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		<p>Notes") in cash in the event of conversion or to repurchase the Senior Convertible Notes upon the occurrence of a fundamental change, which could have a material effect on its reported financial results.</p> <ul style="list-style-type: none"> <li>• The Company transferred a significant portfolio of intellectual property rights, including patents, to Motorola Mobility and Zebra Technologies Corporation ("Zebra") and is unable to leverage these intellectual property rights as it did prior to the distribution of Motorola Mobility or the sale of its Enterprise business.</li> <li>• The Company may be unable to obtain components and parts that are verified to be Democratic Republic of Congo ("DRC") Conflict Free, which could result in reputational damage if it discloses that its products include minerals that have been identified as "not found to be DRC conflict free" or if it discloses that it is unable to determine whether such minerals are included in its products.</li> <li>• Any system or network disruption could have a negative impact on its operations, sales and operating results.</li> <li>• The Company is subject to laws and regulations regarding privacy, data protection and information security, and its actual or perceived failure to comply with such legal obligations could adversely affect its business.</li> </ul>
<b>D.3</b>	<b>Key risks related to the shares</b>	Participating employees assume the risk of any currency fluctuations at the time of (i) their contribution to the ESPP by payroll deductions and (ii) the selling of their Shares.

<b>SECTION E — OFFER</b>		
<b>E.1</b>	<b>Net proceeds</b>	Assuming that the 3,132 eligible employees <sup>4</sup> in Germany, Poland and the United Kingdom would purchase the maximum amount of Shares under the ESPP offered pursuant to this prospectus, that is, a total of \$21,250 each, then the gross proceeds of Motorola Solutions in connection with the offer under the ESPP pursuant to this prospectus would be \$66,555,000. After deducting approximately \$75,000 in legal and accounting expenses in connection with the offer, the net proceeds would be approximately \$66,480,000.
<b>E.2a</b>	<b>Reasons for the offer and use of proceeds</b>	<p>The purpose of the ESPP is to provide an opportunity for eligible employees of the Company and its designated subsidiaries to purchase Shares at a discount through voluntary automatic payroll deductions, thereby attracting, retaining and rewarding such persons and strengthening the mutuality of interest between such persons and the Company's stockholders.</p> <p>The net proceeds will be used for Motorola Solutions' general corporate purposes.</p>

<sup>4</sup> As of July 12, 2018, there were approximately 356 eligible employees in Germany, 1,925 eligible employees in Poland and 851 eligible employees in the United Kingdom.

E.3	<p><b>Description of the terms and conditions of the offer</b></p>	<p>Motorola Solutions will offer selected employees of the Company and its subsidiaries in the EEA the right to purchase or receive its Shares under the ESPP.</p> <p>The offering of the ESPP may be considered a public offering of securities pursuant to the Prospectus Directive in Germany, Poland and the United Kingdom. The offering of the ESPP will also be made in Austria, the Czech Republic, Denmark, France, Norway, Portugal, Spain and Sweden. However, such offering should not be considered a public offering of securities and/or the obligation to publish a prospectus should not apply to such offering under the legislation implementing the Prospectus Directive in such countries.</p> <p>This prospectus will be made available in printed form to employees of the local subsidiaries of Motorola Solutions based in Germany, Poland and the United Kingdom at the respective head offices of their employers. In addition, this prospectus along with summary translations (as applicable) will be posted on Motorola Solutions' intranet, and free copies will be available to employees upon their request to the human resources department. This prospectus will also be available on the website of the AMF, <a href="http://www.amf-france.org">www.amf-france.org</a>.</p> <p>Under the ESPP, eligible employees are offered the opportunity to purchase Shares at a discounted purchase price through payroll deductions that employees elect to be made from their eligible pay each payroll period. All employees of Motorola Solutions, and of each subsidiary designated by the Compensation and Leadership Committee (the "Committee") of the Board, in its discretion, are eligible to participate in the ESPP, provided that the employee (i) does not, immediately after the right is granted, own shares possessing 5% or more of the total combined voting power or value of all classes of stock of the Company or any subsidiary and (ii) does not purchase in excess of 14,285 Shares under the ESPP per Offering Period (as defined below).</p> <p>The ESPP is administered by the Committee. However, except as expressly limited by the terms of the ESPP or applicable laws, the Committee may delegate its administrative tasks to an administrator which will then administer the day-to-day operations of the ESPP. The administrator may include one or more of the Company's officers or management who are appointed by the Board or the Committee. Stock purchase rights may be granted only to employees of the Company or, to the employees of any subsidiary, designated by the Board, the Committee or the administrator.</p> <p>Participation in the ESPP is offered semi-annually during six-month offering periods that commence on the first trading day on or after April 1 and October 1 of each year ("Offering Periods"). Participating employees may elect to contribute anywhere from 1% to 20% of their eligible pay through payroll deductions for the purchase of Shares under the ESPP. The accumulated payroll deductions are used to purchase Shares on the last trading day of each Offering Period at a purchase price per Share equal to 85% of the lesser of the fair market value of a Share on the first trading day of the Offering Period or the last trading day of the Offering Period. Eligible employees who wish to participate in the ESPP for a particular Offering Period must complete the online enrollment process</p>
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		<p>through the Company's designated ESPP broker or where internet access is unavailable, by completing and submitting an enrollment and payroll deduction authorization form to the Company during the enrollment for the particular Offering Period. For the Offering Period commencing on October 1, 2018, eligible employees must complete the enrollment process by September 22, 2018. Once enrolled, participating employees do not have to complete the enrollment process for each future Offering Period if their contribution percentage remains the same; instead, their election to participate will be valid until they withdraw from the ESPP. Employees may only change their percentage contribution during an enrollment period. There is no charge to participating employees for the acquisition or holding of the Shares under the ESPP.</p> <p>ESPP participants may purchase Shares having a fair market value on the first trading day of the applicable Offering Period of not more than \$25,000 per calendar year. The actual contribution limit is not more than \$21,250 (\$25,000 x 85%). Certain other limitations (previously described) may apply to participants.</p> <p>Stock purchase rights under the ESPP may not be transferred, pledged or otherwise disposed of in any way (other than by will or the laws of descent and distribution) by participating employees.</p> <p>The ESPP was last amended at the annual meeting of the stockholders held on May 18, 2015 to increase the number of Shares available for issuance under the ESPP. As of July 31, 2018, 34,217,048 Shares have been issued under the ESPP and 7,540,094 Shares were available for future issuance (out of a maximum of 41,757,142 Shares authorized for the duration of the ESPP).</p>
<b>E.4</b>	<b>Description of material interest to the offer including conflict of interests</b>	Not applicable. There are no such interests.
<b>E.5</b>	<b>Name of the entity offering to sell the security</b>	Motorola Solutions, Inc.

<b>E.6</b>	<b>Maximum dilution</b>	Assuming that the Shares offered under the ESPP pursuant to this prospectus to the 3,132 eligible employees in Germany, Poland and the United Kingdom would all be newly issued, the holdings of a shareholder of Motorola Solutions currently holding 1% of the total outstanding share capital of Motorola Solutions as of June 30, 2018, that is 1,622,668 Shares, and who is not an eligible employee participating in the offer, would be diluted as indicated in the following table:		
			Percentage of the total outstanding Shares	Total number of outstanding Shares
		Before the offering (as of June 30, 2018)	1.00%	162,266,801
		After issuance of 665,393.40 Shares under the ESPP	0.996%	162,932,194.40
<b>E.7</b>	<b>Estimated expenses charged to the investor</b>	Not applicable. There are no such expenses.		

## THE FOLLOWING IS NOT PART OF THE PROSPECTUS SUMMARY

## PART II — PROSPECTUS

**SECTION A — RISK FACTORS****I. RISKS RELATED TO MOTOROLA SOLUTIONS BUSINESS AND INDUSTRY**

*We wish to caution the reader that the risk factors discussed in this Section A and those described elsewhere in the Annual Report on Form 10-K for the fiscal year ended December 31, 2017, filed by Motorola Solutions with the SEC on February 16, 2018 ("Motorola Solutions' Form 10-K"), the Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, filed with the SEC on May 4, 2018 ("First Quarter 10-Q") and the Second Quarter 10-Q or in our other SEC filings, could cause our actual results to differ materially from those stated in the forward-looking statements.*

***We face a number of risks related to current global economic and political conditions, including low economic growth rates in certain markets, the impact of currency fluctuations, commodity price volatility, and unstable political conditions that have and could continue to unfavorably impact our business.***

Global economic and political conditions continue to be challenging for many of our government and commercial markets, as economic growth in many countries, particularly in parts of Latin America and in other emerging markets, has remained low or declined, currency fluctuations have impacted profitability, credit markets have remained tight for certain counterparties of ours and many of our customers remain dependent on government grants to fund purchases of our products and services. In addition, conflicts in the Middle East and elsewhere have created many economic and political uncertainties that continue to impact worldwide markets. The length of time these adverse economic and political conditions may persist is unknown. These global economic and political conditions have impacted and could continue to impact our business, financial condition, results of operations, and cash flows in a number of ways, including:

- **Requests by Customers for Vendor Financing by Motorola Solutions:** Certain customers of ours, particularly, but not limited to, those who purchase large infrastructure systems, request that their suppliers provide financing in connection with equipment purchases and/or the provision of solutions and services, particularly as the size and length of these types of contracts increases and as we increase our business in developing countries. Requests for vendor financing continue to increase in volume and scope, including in response to reduced tax revenue at the state and local government level and ongoing tightening of credit for certain commercial customers. Motorola Solutions has continued to provide vendor financing to both our government and commercial customers. We have been faced with and expect to continue to be faced with choosing between further increasing our level of vendor financing or potentially losing sales, as some of our competitors, particularly those in Asia, have been more willing to provide vendor financing to customers around the world, particularly customers in Africa and Latin America. To the extent we are unable to sell these receivables on terms acceptable to us we may retain exposure to the credit quality of our customers who we finance.
- **Customers' Inability to Obtain Financing to Make Purchases from Motorola Solutions and/or Maintain Their Business:** Some of our customers require substantial financing, including public financing or government grants, in order to fund their operations and make purchases from us. The inability of these customers to obtain sufficient credit or other funds, including as a result of lower tax revenues, currency fluctuations or unavailability of government grants, to finance

purchases of our products and services and/or to meet their payment obligations to us could have, and in some cases has had, a negative impact on our financial results. This risk increases as the size and length of our contracts increase. In addition, if global economic conditions result in insolvencies for our customers, it will negatively impact our financial results.

- **Challenges in Budgeting and Forecasting:** It is difficult to estimate changes in various parts of the U.S. and world economy, including the markets in which we participate. Components of our budgeting and forecasting are dependent upon estimates of demand for our products and estimates of foreign exchange rates. The prevailing economic uncertainties render estimates of future income and expenditures challenging.
- **Potential Deferral or Cancellation of Purchases and Orders by Customers:** Uncertainty about current and future global economic conditions may cause, and in some cases has caused, businesses and governments to defer or cancel purchases in response to tighter credit, decreased cash availability and de-prioritization of communications equipment within the budgeting process. If future demand for our products declines due to economic conditions, it will negatively impact our financial results.
- **Inability to Operate and Grow in Certain Markets:** We operate in a number of markets with a risk of intensifying political instability, including Europe, Russia, Brazil, the Middle East and Africa. If political instability continues in these markets and in other parts of the world in which we operate it could have a significant impact on our ability to grow and, in some cases, operate in those locations, which will negatively impact our financial results.

***A security breach or other significant disruption of our IT systems, those of our outsource partners, suppliers or those we manufacture, install, and in some cases operate and maintain for our customers, caused by cyber attack or other means, could have a negative impact on our operations, sales, and operating results.***

All IT systems are potentially vulnerable to damage, unauthorized access or interruption from a variety of sources, including but not limited to, cyber attack, cyber intrusion, computer viruses, security breach, energy blackouts, natural disasters, terrorism, sabotage, war, insider trading, and telecommunication failures. As a provider of mission-critical communications systems for customers in critical infrastructure sectors of the U.S. and globally, including systems that we operate and maintain for certain customers of ours, we face additional risk as a target of sophisticated attacks aimed at compromising both our Company's and our customers' sensitive information and intellectual property, through means referred to as advanced persistent threats. This risk is heightened because these systems may contain sensitive governmental information or personally identifiable or other protected information. While we employ a number of countermeasures and security controls, including training and audits and utilization of commercial information security threat sharing networks to protect against such attacks, we, along with the industry, have experienced a gradual and steady increase in the sophistication of these threats, most noticeably through well-crafted social engineering and phishing attempts. We cannot guarantee that all threat attempts will be successfully thwarted even with these countermeasures and we are therefore investing more in detection and response capabilities to minimize potential impacts. Further, we are dependent, in certain instances, upon our outsourced business partners, suppliers, and customers to adequately protect our IT systems and those IT systems that we manage for our customers. In addition, some of our customers are exploring broadband solutions that use public carrier networks on which our solutions would operate. We do not have direct oversight or influence over how public carrier networks manage the security, quality, or resiliency of their networks, and because they are an attractive high value target due to their role in critical infrastructure, they expose customers to an elevated risk over our private networks.

Our Company outsources certain business operations, including, but not limited to IT, HR information systems, manufacturing, repair, distribution and engineering services. These arrangements are governed by various contracts and agreements which reference and mandate Company and international standards

of information protection, as appropriate. In addition, we maintain certain networked equipment at customer locations and are reliant on those customers to protect and maintain that equipment. The "attack surface" for us to protect against our adversaries is thus often extended to these partners and customers, as well as our suppliers, and we have some dependency upon their cyber security capabilities as well as their willingness to exchange threat and response information with us

A cyber attack or other significant disruption involving our IT systems or those of our outsource partners, suppliers or our customers could result in the unauthorized release of proprietary, confidential or sensitive information of ours or our customers. Such unauthorized access to, or release of, this information could: (i) allow others to unfairly compete with us, (ii) compromise safety or security, given the mission-critical nature of our customers' systems, (iii) subject us to claims for breach of contract, tort, and other civil claims, and (iv) damage our reputation. We could face regulatory penalties, enforcement actions, remediation obligations and/or private litigation by parties whose data is improperly disclosed or misused. In addition, there has been a sharp increase in laws in Europe, the U.S. and elsewhere, imposing requirements for the handling of personal data, including data of employees, consumers and business contacts, as well as imposing requirements for remediation action, including specific timing and method of notification. There is a risk that our Company, directly or as the result of some third-party service provider we use, could be found to have failed to comply with the laws or regulations of some country regarding the collection, consent, handling, transfer, retention or disposal of such personal data, and therefore subject us to fines or other sanctions. The European Courts invalidation of Safe Harbor as a mechanism to legitimize cross border data flows increases the risk that our Company, directly or through some third-party service provider that we use, may inappropriately transfer EU personal data. Any or all of the foregoing could have a negative impact on our business, financial condition, results of operations, and cash flow.

***A significant amount of our international business is transacted in local currency and a significant percentage of our cash and cash equivalents are held outside of the United States, which exposes us to risk relating to currency fluctuations, changes in foreign exchange regulations and repatriation delays and costs, which could negatively impact our sales, profitability and financial flexibility.***

We have sizable sales and operations in Canada and our Europe, Middle East and Africa, Asia, and Latin America regions.

A significant amount of this business is transacted in local currency. As a result, our financial performance is impacted by currency fluctuations. We are also experiencing increased pressure to agree to established currency conversion rates and cost of living adjustments as a result of foreign currency fluctuations or the requirement to transact business in local currencies.

A significant percentage of our cash and cash equivalents is currently held outside the U.S. and we continue to generate profits outside of the U.S., while many of our liabilities, such as our public debt, the majority of our pension liabilities and certain other cash payments, such as dividends and share repurchases, are payable in the U.S. While we have regularly repatriated funds with minimal adverse impact, repatriation of some of the funds has been and could continue to be subject to delay for local country approvals and could have potential adverse tax consequences. In addition, foreign exchange regulations may limit our ability to convert or repatriate foreign currency. As a result of having a lower amount of cash and cash equivalents in the U.S., our financial flexibility may be reduced.

***We face uncertainty in the global geopolitical landscape that may impede the implementation of our strategy outside the United States.***

In June 2016, the United Kingdom (the "U.K") held a referendum in which voters approved an exit from the European Union ("E.U."), commonly referred to as Brexit. It is expected that the U.K. government will initiate a process to withdraw from the E.U. and begin negotiating the terms of its separation. The announcement of Brexit has resulted in volatility in the global stock market and currency exchange rate fluctuations that resulted in strengthening of the U.S. dollar relative to other foreign currencies in which

we conduct business. The announcement of Brexit and likely withdrawal of the U.K. from the E.U. may also create global economic uncertainty, which may cause our customers to closely monitor their costs and reduce their spending budgets. In addition, there may be uncertainty as to the position the United States will take with respect to certain treaty and trade relationships with other countries. This uncertainty may impact (i) the ability or willingness of non-U.S. companies to transact business in the United States, including with our Company, (ii) regulation and trade agreements affecting U.S. companies, (iii) global stock markets and (iv) general global economic conditions. All of these factors are outside of our control, but may cause us to adjust our strategy in order to compete effectively in global markets and could adversely affect our business, financial condition, operating results and cash flows.

***A portion of our business is dependent upon U.S. government contracts and grants, which are highly regulated and subject to oversight audits by U.S. government representatives and subject to cancellations. Such audits could result in adverse findings and negatively impact our business.***

Our U.S. government business is subject to specific procurement regulations with numerous compliance requirements. These requirements, although customary in government contracting in the U.S., increase our performance and compliance costs. These costs may increase in the future, thereby reducing our margins, which could have an adverse effect on our financial condition. Failure to comply with these regulations or other compliance requirements could lead to suspension or debarment from U.S. government contracting or subcontracting for a period of time. Among the causes for debarment are violations of various laws or policies, including those related to procurement integrity, export control, U.S. government security regulations, employment practices, protection of criminal justice data, protection of the environment, accuracy of records, proper recording of costs, foreign corruption and the False Claims Act.

Generally, in the U.S. government contracts and grants are subject to oversight audits by government representatives. Such audits could result in adjustments to our contracts. Any costs found to be improperly allocated to a specific contract may not be allowed, and such costs already reimbursed may have to be refunded. Future audits and adjustments, if required, may materially reduce our revenues or profits upon completion and final negotiation of audits. Negative audit findings could also result in investigations, termination of a contract or grant, forfeiture of profits or reimbursements, suspension of payments, fines and suspension or prohibition from doing business with the U.S. government. All contracts with the U.S. government are subject to cancellation at the convenience of the U.S. government.

In addition, contacts with government officials and participation in political activities are areas that are tightly controlled by federal, state, local and international laws. Failure to comply with these laws could cost us opportunities to seek certain government sales opportunities or even result in fines, prosecution, or debarment.

***Government regulation of radio frequencies may limit the growth of public safety broadband systems or reduce barriers to entry for new competitors.***

Radio frequencies are required to provide wireless services. The allocation of frequencies is regulated in the U.S. and other countries and limited spectrum is allocated to wireless services and specifically to public safety users. The growth of public safety broadband communications systems may be affected: (i) by regulations relating to the access to allocated spectrum for public safety users, (ii) if adequate frequencies are not allocated, or (iii) if new technologies are not developed to better utilize the frequencies currently allocated for such use. Industry growth may also be affected by new licensing fees required to use frequencies.

The U.S. leads the world in allocating spectrum to enable wireless communications including Long Term Evolution ("LTE"). Other countries have also allocated spectrum to allow deployment of these and other technologies. This changing landscape may introduce new competition and new opportunities for us.

MSI's opportunities to sell LTE equipment and related software and services in the U.S will be substantially impacted by: (1) AT&T's success in satisfying contract requirements and milestones, including, among others, subscriber adoption rate, mandatory payments to FirstNet, and coverage and (2) fiscal, public, and regulatory policies and/or special interest politics that risk delaying deployment.

***We derive a portion of our revenue from government customers who award business through competitive bidding which can involve significant upfront costs and risks. This effort may not result in awards of business or we may fail to accurately estimate the costs to fulfill contracts awarded to us, which could have adverse consequences on our future profitability.***

Many government customers, including most U.S. government customers, award business through a competitive bidding process, which results in greater competition and increased pricing pressure. The competitive bidding process involves significant cost and managerial time to prepare bids for contracts that may not be awarded to us. Even if we are awarded contracts, we may fail to accurately estimate the resources and costs required to fulfill a contract, or to resolve problems with our subcontractors or suppliers, which could negatively impact the profitability of any contract award to us, particularly in the case of fixed price contracts. In addition, following the award of a contract, we have experienced and may continue to experience significant expense or delay, contract modification or contract rescission as a result of customer delay or our competitors protesting or challenging contracts awarded to us in competitive bidding.

***We enter into fixed-price contracts that could subject us to losses in the event we fail to properly estimate our costs or hedge our risks associated with currency fluctuations.***

We enter into a number of firm fixed-price contracts. If our initial cost estimates are incorrect, we can lose money on these contracts. Because certain of these contracts involve new technologies and applications, require us to engage subcontractors and/or can last multiple years, unforeseen events, such as technological difficulties, fluctuations in the price of raw materials, problems with our subcontractors or suppliers and other cost overruns, can result in the contract pricing becoming less favorable or even unprofitable to us and have an adverse impact on our financial results. In addition, a significant increase in inflation rates or currency fluctuations could have an adverse impact on the profitability of longer-term contracts.

***The expansion of our solutions and services business creates new competitors and new and increased areas of risk that we have not been exposed to in the past and that we may not be able to properly assess or mitigate.***

We plan to continue to expand our solutions and services business by offering additional and expanded managed services for existing and new types of customers, such as designing, building, operating, managing and in some cases owning a public- safety system or other commercial system. The offering of managed services involves the integration of multiple services, multiple vendors and multiple technologies, requiring that we partner with other solutions and services providers, often on multiyear projects.

Additionally, our managed services business will be expanded to include the hosting of software applications. This allows the customers to "consume" the software "as a service" and avoid the costs and complexities of acquiring and operating the software.

- We may recognize revenue over time as a services offering, rather than at a point in time as with a traditional equipment sale, which will extend revenue recognition over the length of the services contracts, which may be several years.
- The managed services business is one characterized by large subcontracting arrangements and we may not be able to obtain favorable contract terms including adequate indemnities,

performance commitments or other protections from our subcontractors to adequately mitigate our exposure to our customers.

- We may face increasing competition from traditional system integrators and the defense industry as solutions and services contracts become larger and more complicated.
- Expansion will bring us into contact with new regulatory requirements and restrictions, such as data security or data residency/localization obligations, with which we will have to comply and may increase the costs of doing business, reduce margins and delay or limit the range of new solutions and services which we will be able to offer.
- We may be required to agree to specific performance metrics that meet the customer's requirements for network security, availability, reliability, maintenance and support and, in some cases, if these performance metrics are not met we may not be paid.

***We may not continue to have access to the capital markets for financing on acceptable terms and conditions, particularly if our credit ratings are downgraded, which could limit our ability to repay our indebtedness and could cause liquidity issues.***

From time to time we access the capital markets to obtain financing. Our access to the capital markets and the bank credit markets at acceptable terms and conditions are impacted by many factors, including: (i) our credit ratings, (ii) the liquidity of the overall capital markets, (iii) strength and credit availability in the banking markets, and (iv) the current state of the global economy. In addition, we frequently access the credit markets to obtain performance bonds, bid bonds, standby letters of credit and surety bonds, as well as to hedge foreign exchange risk and sell receivables. In addition, there can be no assurances we will be able to refinance our existing indebtedness (i) on commercially reasonable terms, (ii) on terms, including with respect to interest rates, as favorable as our current debt, or (iii) at all. There can be no assurances that we will continue to have access to the capital markets or bank credit markets on terms acceptable to us and if we are unable to repay or refinance our debt, we cannot guarantee that we will be able to generate enough cash flows from operations or that we will be able to obtain enough capital to service our debt, fund our planned capital expenditures or pay future dividends.

We are rated investment grade by all three national rating agencies. Any downward changes by the rating agencies to our credit rating may negatively impact the value and liquidity of both our debt and equity securities. Under certain circumstances, an increase in the interest rate payable by us under our revolving credit facility, if any amounts were borrowed under such facility, could negatively affect our operating cash flows. In addition, a downgrade in our credit ratings could limit our ability to: (i) access the capital markets or bank credit markets, (ii) provide performance bonds, bid bonds, standby letters of credit and surety bonds, (iii) hedge foreign exchange risk, (iv) fund our foreign affiliates, and (v) sell receivables. A downgrade in our credit rating could also result in less favorable trade terms with suppliers. In addition, any downgrades in our credit ratings may affect our ability to obtain additional financing in the future and may affect the terms of any such financing. Any future disruptions, uncertainty or volatility in the capital markets may result in higher funding costs for us and adversely affect our ability to access funds and other credit related products. In addition, we may avoid taking actions that would otherwise benefit us or our stockholders, such as engaging in certain acquisitions or engaging in stock repurchases, that would negatively impact our credit rating.

***Our future operating results depend on our ability to purchase at acceptable prices a sufficient amount of materials, parts, and components, as well as services and software to meet the demands of our customers and any disruption to our suppliers or significant increase in the price of supplies could have a negative impact on our results of operations.***

Our ability to meet customers' demands depends, in part, on our ability to timely obtain an adequate delivery of quality materials, parts, and components, as well as services and software from our suppliers. In addition, certain supplies, including for some of our critical components, are available only from a

single source or limited sources and we may not be able to diversify sources in a timely manner. If demand for our products or services increases from our current expectations or if suppliers are unable to meet our demand for other reasons, including as a result of natural disasters or financial issues, we could experience an interruption in supplies or a significant increase in the price of supplies, including as a result of having to move to an alternative source, that could have a negative impact on our business as a result of increased cost or delay in or inability to deliver our products. This risk may increase as a result of consolidation of certain suppliers of ours. We have experienced shortages in the past that have negatively impacted our results of operations and may experience such shortages in the future. In addition, credit constraints at our suppliers could cause us to accelerate payment of accounts payable by us, impacting our cash flow.

We have seen and expect to continue to see increases in the price of certain supplies as we no longer qualify for certain volume discounts given our significant decrease in direct material spend over the last several years as a result of our spin-offs and divestitures. We have also experienced less support and focus from our suppliers as our spend has diminished, making it more difficult for us to resolve gaps in supply due to unforeseen changes in forecast and demand. In addition, our current contractual arrangements with certain suppliers may be cancelled or not extended by such suppliers and, therefore, not afford us with sufficient protection against a reduction or interruption in supplies. Moreover, in the event any of these suppliers breach their contracts with us, our legal remedies associated with such a breach may be insufficient to compensate us for any damages we may suffer.

***Over the last several years we have outsourced portions of certain business operations like IT, HR information systems, manufacturing, repair, distribution and engineering services and expect to outsource additional business operations. This outsourcing limits our control over these business operations and exposes us to additional risk as a result of the actions of our outsource partners.***

As we outsource more of our business operations we are not able to directly control these activities. Our outsource partners may not prioritize our business over that of their other customers and they may not meet our desired level of quality, performance, service, cost reductions or other metrics. Failure to meet key performance indicators may result in our being in default with our customers. In addition, we may rely on our outsource partners to secure materials from our suppliers with whom our outsource partners may not have existing relationships and we may be required to continue to manage these relationships even after we outsource certain business operations.

As we outsource business operations we become dependent on the IT systems of our outsource partners, including to transmit demand and purchase orders to suppliers, which can result in a delay in order placement. In addition, in an effort to reduce costs and limit their liabilities, our outsource partners may not have robust systems or make commitments in as timely a manner as we require.

In some cases the actions of our outsource partners may result in our being found to be in violation of laws or regulations like import or export regulations. As many of our outsource partners operate outside of the U.S., our outsourcing activity exposes us to information security vulnerabilities and increases our global risks. In addition, we are exposed to the financial viability of our outsource partners. Once a business activity is outsourced we may be contractually prohibited from or may not practically be able to bring such activity back within the Company or move it to another outsource partner. The actions of our outsource partners could result in reputational damage to us and could negatively impact our business, financial conditions, results of operations, and cash flows.

***Our sales within a quarter are not linear, with a substantial percentage of products shipping in the final month of the quarter. This lack of linearity creates inefficiencies in our business performance and any interruption during this final month could have a substantial impact on our quarterly financial results.***

On average, a substantial percentage of our quarterly sales ship in the final month of a quarter. Any interruption in our ability to ship products during this final month, such as unavailability of critical

components, disruption to our manufacturing capabilities or disruptions in our distribution channel, will have a disproportionately large impact on our quarterly financial results, as we may be unable to recover in time to ship the products and recognize revenue in that quarter.

In addition, this lack of linearity results in inefficiencies in our financial performance, as we must invest in capacity and resources to support this business model, meaning we have underutilized operations during the first two months of the quarter. We also must maintain additional component inventory and engage in pre-builds of finished goods to mitigate the impact of this lack of linearity and meet potential last month demand. This could result in our carrying excess inventory, which is costly and may result in increased inventory obsolescence over time.

***We no longer own certain logos and other trademarks, trade names and service marks, including the Motorola Marks and we license the Motorola Marks from MTH, which is currently owned by Motorola Mobility, a subsidiary of Lenovo. Our joint use of the Motorola Marks could result in product and market confusion and negatively impact our ability to expand our business under the Motorola brand. In addition, if we do not comply with the terms of the license agreement we could lose our rights to the Motorola Marks. Because of the change of control of Motorola Mobility, which is now owned by Lenovo, we may find that an incompatible third-party owns the Motorola Marks.***

We have a worldwide, perpetual and royalty-free license from MTH to use the Motorola Marks as part of our corporate name and in connection with the manufacture, sale, and marketing of our current products and services. The license of the Motorola Marks is important to us because of the reputation of the Motorola brand for our products and services. There are risks associated with both Motorola Mobility and the Company using the Motorola Marks and with this loss of ownership. As both Motorola Mobility and the Company will be using the Motorola Marks, confusion could arise in the market, including customer confusion regarding the products offered by and the actions of the two companies. Motorola Mobility was acquired by Lenovo in 2014, which resulted in Lenovo having effective control over the Motorola Marks. This risk could increase as both Motorola Mobility's and our products continue to converge. This risk could increase under Lenovo's control if they expand their use of the Motorola Marks. Also, any negative publicity associated with either company in the future could adversely affect the public image of the other. In addition, because our license of the Motorola Marks will be limited to products and services within our specified fields of use, we will not be permitted to use the Motorola Marks in other fields of use without the approval of Motorola Mobility, which is now controlled by Lenovo. In the event that we desire to expand our business into any other fields of use, we may need to do so with a brand other than the Motorola brand. Developing a brand as well-known and with as much brand equity as Motorola could take considerable time and expense. The risk of needing to develop a second brand increases as Motorola Mobility's and our products continue to converge and if our business expands into other fields of use. In addition, we could lose our rights to use the Motorola Marks if we do not comply with the terms of the license agreement. Such a loss could negatively affect our business, results of operations and financial condition. Furthermore, MTH has the right to license the brand to third-parties and either Motorola Mobility or licensed third-parties may use the brand in ways that make the brand less attractive for customers of Motorola Solutions, creating increased risk that Motorola Solutions may need to develop an alternate or additional brand. In 2013 Motorola Mobility modified certain Motorola Marks used by the Company. Motorola Mobility may require the Company to adopt the use of the modified Motorola Marks, which would result in the Company incurring the costs of rebranding.

In addition, neither Motorola Mobility nor Lenovo are prohibited from selling the Motorola Marks. In the event of a liquidation of Motorola Mobility or the then owner of the Motorola Marks, it is possible that a bankruptcy court would permit the Motorola Marks to be assigned to a third-party. While our right to use the Motorola Marks under our license should continue in our specified field of use in such situations, it is possible that we could be party to a license arrangement with a third-party whose interests are incompatible with ours, thereby potentially making the license arrangement difficult to administer, and increasing the costs and risks associated with sharing the Motorola Marks. In addition, there is a risk that, in the event of a bankruptcy of Motorola Mobility or the then owner of the Motorola Marks, Motorola Mobility, the then owner or its bankruptcy trustee may attempt to reject the license, or a bankruptcy court

may refuse to uphold the license or certain of its terms. Such a loss could negatively affect our business, results of operations and financial condition.

***We utilize the services of subcontractors to perform under many of our contracts and the inability of our subcontractors to perform in a timely and compliant manner could negatively impact our ability to comply with our performance obligations as the prime contractor.***

We engage subcontractors, including third-party integrators, on many of our contracts and as we expand our solutions and services business our use of subcontractors has and will continue to increase. Our subcontractors may further subcontract performance and may supply third-party products and software from a number of smaller companies. We may have disputes with our subcontractors, including disputes regarding the quality and timeliness of work performed by the subcontractor or its subcontractors and the functionality, warranty and indemnities of products, software and services supplied by our subcontractor. We are not always successful in passing down customer requirements to our subcontractors, and thus in some cases may be required to absorb contractual risks from our customers without corresponding back-to-back coverage from our subcontractor. Even when we are able to pass down customer requirements to our subcontractors, sometimes those subcontractors have less financial resources than we do, and a customer may look to us to cover a loss or damage. Our subcontractors may not be able to acquire or maintain the quality of the materials, components, subsystems and services they supply, or secure preferred warranty and indemnity coverage from their suppliers which might result in greater product returns, service problems, warranty claims and costs and regulatory compliance issues. Any of the foregoing could harm our business, financial condition and results of operations.

***Failure of our suppliers, subcontractors, distributors, resellers and representatives to use acceptable legal or ethical business practices and adhere to our Supplier Code of Conduct or our Human Rights Policy could negatively impact our business.***

It is our policy to require our suppliers, subcontractors, distributors, resellers, and third-party sales representatives ("TPSRs") to operate in compliance with applicable laws, rules and regulations regarding working conditions, employment practices, environmental compliance, anti-corruption and trademark and copyright licensing. However, we do not control their labor and other business practices. If one of our suppliers, subcontractors, brokers, distributors, resellers, or TPSRs violates labor or other laws or implements labor or other business practices that are regarded as unethical, the shipment of finished products to us could be interrupted, orders could be canceled, relationships could be terminated and our reputation could be damaged. If one of our suppliers or subcontractors fails to procure necessary license rights to trademarks, copyrights or patents, legal action could be taken against us that could impact the salability of our products and expose us to financial obligations to a third-party. Any of these events could have a negative impact on our sales and results of operations.

***Our employees, customers, suppliers and outsource partners are located throughout the world and, as a result, we face risks that other companies that are not global may not face.***

Most of our products that are manufactured by or for us outside the U.S. are manufactured in Malaysia. If manufacturing in our facility, or a facility manufacturing products for us, in Malaysia is disrupted, our overall capacity would be significantly reduced and our business, financial condition, results of operation, and cash flows could be negatively impacted.

Our customers and suppliers are located throughout the world. In 2017, approximately 42% percent of our revenue was generated outside the U.S. In addition, we have a number of research and development, administrative and sales facilities outside the U.S. and more than 54% of our employees are employed outside the U.S. Most of our suppliers' operations are outside the U.S. and most of our products are manufactured outside the U.S., both internally and by third-parties.

Because we have sizable sales and operations, including outsourcing and procurement arrangements, outside of the U.S., we have more complexity in our operations and are exposed to a unique set of global risks that could negatively impact our business, financial condition, results of operations, and cash flows,

including but not limited to: (i) currency fluctuations, (ii) import/export regulations, tariffs, trade barriers and trade disputes, customs classifications and certifications, including but not limited to changes in classifications or errors or omissions related to such classifications and certifications, (iii) changes in U.S. and non-U.S. rules related to trade, environmental, health and safety, technical standards, consumer and intellectual property and consumer protection, (iv) longer payment cycles, (v) tax issues, such as tax law changes, variations in tax laws from country to country and as compared to the U.S., obligations under tax incentive agreements, difficulties in repatriating cash generated or held abroad in a tax-efficient manner and difficulties in securing local country approvals for cash repatriations, (vi) changes in foreign exchange regulations, (vii) challenges in collecting accounts receivable, (viii) cultural and language differences, (ix) employment regulations and local labor conditions, (x) privacy and data protection regulations and restrictions, (xi) difficulties protecting intellectual property in foreign countries, (xii) instability in economic or political conditions, including inflation, recession and actual or anticipated military or political conflicts and terrorism, (xiii) natural disasters, (xiv) public health issues or outbreaks, (xv) changes in laws or regulations that negatively impact benefits being received by us or that require costly modifications in products sold or operations performed in such countries, (xvi) litigation in foreign court systems and foreign enforcement or administrative proceedings, and (xvii) applicability of anti-corruption laws including the Foreign Corrupt Practices Act ("FCPA") and the U.K. Bribery Act.

We have a number of employees, contractors, representatives and agents in, and sell our products and services throughout, the Middle East and our operations, as well as demand for our products and services, could be negatively impacted by political conflicts and hostilities in this region. The potential for future unrest, terrorist attacks, increased global conflicts, hostility against U.S.-based multinational companies and the escalation of existing conflicts has created worldwide uncertainties that have negatively impacted, and may continue to negatively impact, demand for certain products of ours.

We also are subject to risks that our operations could be conducted by our employees, contractors, representatives or agents in ways that violate the FCPA, the U.K. Bribery Act, or other similar anti-corruption laws. While we have policies and procedures to comply with these laws, our employees, contractors, representatives and agents may take actions that violate our policies. Any such violations could have a negative impact on our business. Moreover, we face additional risks that our anti-corruption policies and procedures may be violated by TPSRs or other third-parties that help sell our products or provide other solutions and services, because such TPSRs and other third parties are not our employees, and, it is therefore more difficult to oversee and control their conduct.

***Many of our components and some of our products, including software, are developed and/or manufactured by third-parties and in some cases designed by third-parties and if such third-parties lack sufficient quality control, change the design of components or if there are significant changes in the financial or business condition of such third-parties, it may have a negative impact on our business.***

We rely on third-parties to develop and/or manufacture many of our components and some of our finished products, and to design certain components and finished products, as well as provide us with software necessary for the operation of those products and we may increase our reliance on such third-parties in the future. We could have difficulties fulfilling our orders and our sales and profits could decline if: (i) we are not able to engage such third-parties with the capabilities or capacities required by our business, (ii) such third-parties lack sufficient quality control or fail to deliver quality components, products, services or software on time and at reasonable prices, or deliver products, services or software that do not meet regulatory or industry standards or requirements, (iii) if there are significant changes in the financial or business condition of such third-parties, or (iv) if we have difficulties transitioning operations to such third-parties.

Because of the long life-cycle of many of our products, we need access to limited quantities of components for manufacturing and repair and suppliers have been and may continue to be unwilling to manufacture such components or may only do so at high prices. Certain key component suppliers are reducing the expected lifetime of key components, in particular semiconductor and electrical components, on some of our products. This could result in the need for more frequent product redesigns and increased

engineering costs on some products or costly last time buys, which may negatively impact our financial performance. In addition, we may be unable to meet our repair obligations to our customers.

***We are exposed to risks under large, multi-year system and solutions and services contracts that may negatively impact our business.***

We enter into large, multi-year system and solutions and services contracts with large municipal, state, and nationwide government and commercial customers. In some cases we may not be the prime contractor and may be dependent on other third-parties such as commercial carriers or systems integrators. This exposes us to risks, including among others: (i) technological risks, especially when the contracts involve new technology, (ii) risk of defaults by third-parties on whom we are relying for products or services as part of our offering or who are the prime contractors, (iii) financial risks, including the estimates inherent in projecting costs associated with large, long-term contracts, the impact of currency fluctuations, inflation, and the related impact on operating results, (iv) cyber security risk, especially in managed services contracts with public safety and commercial customers that process data, and (v) political risk, especially related to the contracts with government customers. In addition, multi-year awards from governmental customers may often only receive partial funding initially and may typically be cancelable on short notice with limited penalties. Recovery of front loaded capital expenditures in long-term managed services contracts is dependent on the continued viability of such customers. The termination of funding for a government program or insolvency of commercial customer could result in a loss of anticipated future revenue attributable to that program, which could have an adverse impact on our profitability.

***Our success depends in part on our timely introduction of new products and technologies and our results can be impacted by the effectiveness of our significant investments in new products and technologies.***

The markets for certain products of ours are characterized by changing technologies and evolving industry standards. In some cases it is unclear what specific technology will be adopted in the market or what delivery model will prevail, including whether public safety LTE will be delivered via private networks, public carriers or some combination thereof. In addition, new technologies such as voice over LTE or push-to-talk clients over LTE could reduce sales of our traditional products. The shift to smart public safety and the prevalence of data in our customer's use cases results in our competing in a more fragmented marketplace. In addition, new technologies and new competitors continue to enter our markets at a faster pace than we have experienced in the past, resulting in increased competition from non-traditional suppliers, including public carriers, telecom equipment providers, consumer device manufacturers and software companies. New products are expensive to develop and bring to market and additional complexities are added when this process is outsourced as we have done in certain cases or as we increase our reliance on third-party content and technology. Our success depends, in substantial part, on the timely and successful introduction of new products, upgrades and enhancements of current products to comply with emerging industry standards, laws and regulations, such as China's proprietary technology, PDT, and to address competing technological and product developments carried out by our competitors. Developing new technologies to compete in a specific market may not be financially viable, resulting in our inability to compete in that market. The research and development of new, technologically-advanced products is a complex and uncertain process requiring high levels of innovation and investment, as well as the accurate anticipation of technology and market trends. Many of our products and systems are complex and we may experience delays in completing development and introducing new products or technologies in the future. We may focus our resources on technologies that do not become widely accepted or are not commercially viable or involve compliance obligations with additional areas of regulatory requirements.

Our results are subject to risks related to our significant investment in developing and introducing new products. These risks include among others: (i) difficulties and delays in the development, production, testing and marketing of products, particularly when such activities are done through third-parties, (ii) customer acceptance of products, (iii) the development of, approval of, and compliance with industry standards and regulatory requirements, (iv) the significant amount of resources we must devote to the

development of new technologies, and (v) the ability to differentiate our products and compete with other companies in the same markets.

***If the quality of our products does not meet our customers' expectations or regulatory or industry standards, then our sales and operating earnings, and ultimately our reputation, could be negatively impacted.***

Some of the products we sell may have quality issues resulting from the design or manufacture of the product, or from the software used in the product. Sometimes, these issues may be caused by components we purchase from other manufacturers or suppliers. Often these issues are identified prior to the shipment of the products and may cause delays in shipping products to customers, or even the cancellation of orders by customers. Sometimes, we discover quality issues in the products after they have been shipped to our customers, requiring us to resolve such issues in a timely manner that is the least disruptive to our customers, particularly in light of the mission-critical nature of our communications products. Such pre-shipment and post-shipment quality issues can have legal, financial and reputational ramifications, including: (i) delays in the recognition of revenue, loss of revenue or future orders, (ii) customer-imposed penalties for failure to meet contractual requirements, (iii) increased costs associated with repairing or replacing products, and (iv) a negative impact on our goodwill and brand name reputation.

In some cases, if the quality issue affects the product's performance, safety or regulatory compliance, then such a "defective" product may need to be "stop-shipped" or recalled. Depending on the nature of the quality issue and the number of products in the field, it could cause us to incur substantial recall or corrective field action costs, in addition to the costs associated with the potential loss of future orders and the damage to our goodwill or brand reputation. In addition, we may be required, under certain customer contracts, to pay damages for failed performance that might exceed the revenue that we receive from the contracts. Recalls and field actions involving regulatory non-compliance could also result in fines and additional costs. Recalls and field actions could result in third-party litigation by persons or companies alleging harm or economic damage as a result of the use of the products.

***We expect to continue to make strategic acquisitions of other companies or businesses and these acquisitions introduce significant risks and uncertainties, including risks related to integrating the acquired businesses and achieving benefits from the acquisitions.***

In order to position ourselves to take advantage of growth opportunities or to meet other strategic needs such as product or technology gaps, we have made, and expect to continue to make, strategic acquisitions that involve significant risks and uncertainties. These risks and uncertainties include: (i) the difficulty or inability in integrating newly-acquired businesses and operations in an efficient and effective manner, (ii) risks associated with integrating financial reporting and internal control systems, (iii) the challenges in achieving strategic objectives, cost savings and other benefits from acquisitions, (iv) the risk that our contractual relationships or the markets do not evolve as anticipated and that the technologies acquired do not prove to be those needed to be successful in those markets, (v) the potential loss of key employees of the acquired businesses, (vi) the risk of diverting the attention of senior management from our operations, (vii) the risks of entering new markets in which we have limited experience, (viii) difficulties in integrating IT systems and other business processes to accommodate the acquired businesses, (ix) challenges in integrating acquired businesses to create the operating platform for public safety and (x) future impairments of goodwill of an acquired business. In particular, failure to achieve targeted cost and revenue synergies could negatively impact our business performance.

Certain acquisition candidates in the industries in which we participate may carry higher relative valuations (based on revenues, earnings, cash flow, or other relevant multiples) than we do. This is particularly evident in software and certain services businesses. Acquiring a business that has a higher relative valuation than Motorola Solutions may be dilutive to our earnings. In addition, we may not pursue opportunities that are highly dilutive to near-term earnings.

Key employees of acquired businesses may receive substantial value in connection with a transaction in the form of cash payments for their ownership interest, particularly in the case of founders and other shareholder employees, or as a result of change-in-control agreements, acceleration of stock options and the lifting of restrictions on other equity-based compensation rights. To retain such employees and integrate the acquired business, we may offer additional retention incentives, but it may still be difficult to retain certain key employees.

***We have completed a number of large divestitures over the last several years and have ongoing obligations and potential liabilities associated with those transactions and the businesses we divested. In addition, these divestitures have resulted in less diversity of our business and our customer base, which could negatively impact our financial results in the event of a downturn in our mission-critical communications business.***

Over the last several years we have spun-off or sold a number of large businesses, including Motorola Mobility, our Networks business and our Enterprise business. In connection with our divestitures we typically remain liable for certain pre-closing liabilities associated with the divested business, such as pension liabilities, taxes, employment, environmental liabilities and litigation. In addition, although we often assign contracts associated with the divested business to a buyer in a divestiture, often that assignment will be subject to the consent of the contractual counterparty, which may not be obtained or may be conditioned, resulting in the company remaining liable under the contract. In connection with our divestitures we make representations and warranties and agree to covenants relating to the business divested. We remain liable for a period of time for breaches of representations, warranties and covenants and we also indemnify buyers in the event of such breaches and for other specific risks. Even though we establish reserves for any expected ongoing liability associated with divested businesses, those reserves may not be sufficient if unexpected liabilities arise and this could negatively impact our financial condition and future results of operations.

Because we are now singularly focused on mission-critical communications for public safety and commercial customers we have less diversity in our business and our customer base. A downturn in this business could have a greater negative impact on our financial results than when we were a more diversified communications provider.

***We face many risks relating to intellectual property rights.***

Our business will be harmed if: (i) we, our customers and/or our suppliers are found to have infringed intellectual property rights of third-parties, (ii) the intellectual property indemnities in our supplier agreements are inadequate to cover damages and losses due to infringement of third-party intellectual property rights by supplier products, (iii) we are required to provide broad intellectual property indemnities to our customers, (iv) our intellectual property protection is inadequate to protect against threats of misappropriation from internal or external sources or otherwise inadequate to protect our proprietary rights, or (v) our competitors negotiate significantly more favorable terms for licensed intellectual property. We may be harmed if we are forced to make publicly available, under the relevant open-source licenses, certain internally developed software-related intellectual property as a result of either our use of open-source software code or the use of third-party software that contains open-source code.

Since our products are comprised of complex technology, much of which we acquire from suppliers through the purchase of components or licensing of software, we are often involved in or impacted by assertions, including both requests for licenses and litigation, regarding patent and other intellectual property rights. Third-parties have asserted, and in the future may assert, intellectual property infringement claims against us and against our customers and suppliers. Many of these assertions are brought by non-practicing entities whose principle business model is to secure patent licensing-based revenue from product manufacturing companies. The patent holders often make broad and sweeping claims regarding the applicability of their patents to our products, seeking a percentage of sales as licenses fees, seeking injunctions to pressure us into taking a license, or a combination thereof. Defending claims may be expensive and divert the time and efforts of our management and employees. Increasingly, third-parties have sought broad injunctive relief which could limit our ability to sell our

products in the U.S. or elsewhere with intellectual property subject to the claims. If we do not succeed in any such litigation, we could be required to expend significant resources to pay damages, develop non-infringing products or to obtain licenses to the intellectual property that is the subject of such litigation, each of which could have a negative impact on our financial results. However, we cannot be certain that any such licenses, if available at all, will be available to us on commercially reasonable terms. In some cases, we might be forced to stop delivering certain products if we or our customer or supplier are subject to a final injunction.

We attempt to negotiate favorable intellectual property indemnities with our suppliers for infringement of third-party intellectual property rights. However, there is no assurance that we will be successful in our negotiations or that a supplier's indemnity will cover all damages and losses suffered by us and our customers due to the infringing products or that a supplier will choose to accept a license or modify or replace its products with non-infringing products which would otherwise mitigate such damages and losses. Further, we may not be able to participate in intellectual property litigation involving a supplier and may not be able to influence any ultimate resolution or outcome that may negatively impact our sales if a court enters an injunction that enjoins the supplier's products or if the International Trade Commission issues an exclusionary order that blocks our products from importation into the U.S. Intellectual property disputes involving our suppliers have resulted in our involvement in International Trade Commission proceedings from time to time. These proceedings are costly and entail the risk that we will be subjected to a ban on the importation of our products into the U.S. solely as a result of our use of a supplier's components.

In addition, our customers increasingly demand that we indemnify them broadly from all damages and losses resulting from intellectual property litigation against them. These demands stem from the increasing trend of the non-practicing entities that engage in patent enforcement and litigation targeting the end users of our products. End users are targeted so the non-practicing entities can seek royalties and litigation judgments in proportion to the value of the use of our products, rather than in proportion to the cost of our products. Such demands can amount to many times the selling price of our products.

Our patent and other intellectual property rights are important competitive tools and may generate income under license agreements. We regard our intellectual property as proprietary and attempt to protect it with patents, copyrights, trademarks, trade secret laws, confidentiality agreements and other methods. We also generally restrict access to and distribution of our proprietary information. Despite these precautions, it may be possible for a third-party to obtain and use our proprietary information or develop similar technology independently. In addition, effective patent, copyright, trademark and trade secret protection may be unavailable or limited in certain foreign countries. Unauthorized use of our intellectual property rights by third-parties and the cost of any litigation necessary to enforce our intellectual property rights could have a negative impact on our financial results.

As we expand our business, including through acquisitions, and compete with new competitors in new markets, the breadth and strength of our intellectual property portfolio in those new markets may not be as developed as in our longer-standing businesses. This may expose us to a heightened risk of litigation and other challenges from competitors in these new markets. Further, competitors may be able to negotiate significantly more favorable terms for licensed intellectual property than we are able to, which puts them at a competitive advantage.

***We may not have the ability to settle the principal amount of the Senior Convertible Notes in cash in the event of conversion or to repurchase the Senior Convertible Notes upon the occurrence of a fundamental change, which could have a material effect on our reported financial results.***

Our Senior Convertible Notes are convertible any time. In the event of conversion, the Company currently intends to settle the principal amount of the Senior Convertible Notes in cash.

Under certain circumstances, convertible debt instruments (such as the Senior Convertible Notes) that may be settled entirely or partially in cash are evaluated for their impact on earnings per share utilizing the treasury stock method, the effect of which is that the shares issuable upon conversion of the Senior

Convertible Notes are not included in the calculation of diluted earnings per share except to the extent that the conversion value of the Senior Convertible Notes exceeds their principal amount. Under the treasury stock method the number of shares outstanding for purposes of calculating diluted earnings per share includes the number of shares that would be required to settle the excess of the conversion value of the Senior Convertible Notes, if any, over the principal amounts of the Senior Convertible Notes (which would be settled in cash). The conversion value of the Senior Convertible Notes will exceed the principal amount of the notes to the extent the trading price of a share of our stock exceeds the effective conversion price as of the conversion date.

If we do not have adequate cash available, either from cash on hand, funds generated from operations or existing financing arrangements, or we cannot obtain additional financing arrangements, we may not be able to settle the principal amount of the Senior Convertible Notes in cash and, in the case of settlement of conversion elections, will be required to settle the principal amount of the Senior Convertible Notes in stock. If we settle any portion of the principal amount of the Senior Convertible Notes in stock, it will result in immediate, and possibly material, dilution to the interests of existing security holders.

Following any conclusion that we no longer have the ability to settle the Senior Convertible Notes in cash, we will be required on a going forward basis to change our accounting policy for earnings per share from the treasury stock method to the if-converted method. Earnings per share will most likely be significantly lower under the if-converted method as compared to the treasury stock method.

Our ability to repurchase the Senior Convertible Notes in cash upon the occurrence of a fundamental change or make any other required payments may be limited by law or the terms of other agreements relating to our indebtedness outstanding at the time. Our failure to repurchase the Senior Convertible Notes when required would result in an event of default with respect to the Senior Convertible Notes and may constitute an event of default or prepayment under, or result in the acceleration of the maturity of, our then-existing indebtedness.

***Tax matters could have a negative impact on our financial condition and results of operations.***

We are subject to income taxes in the U.S. and numerous foreign tax jurisdictions. Our provision for income taxes and cash tax liability may be negatively impacted by: (i) changes in the mix of earnings taxable in jurisdictions with different statutory tax rates, (ii) changes in tax laws and accounting principles, (iii) changes in the valuation of our deferred tax assets and liabilities, (iv) failure to meet commitments under tax incentive agreements, (v) discovery of new information during the course of tax return preparation, (vi) increases in nondeductible expenses, or (vii) difficulties in repatriating cash held abroad in a tax-efficient manner.

As of December 22, 2017 the U.S. enacted wide-sweeping tax law changes that will impact our provision for income taxes. Certain provisions included in the legislation, primarily related to the taxation of non-U.S. income, do not contain sufficient details for us to determine the specific financial impact on the Company in future years. The future guidance or interpretations of the new law could result in an increase to our U.S. tax liability and a resulting negative impact on our future operating results.

Tax audits may also negatively impact our business, financial condition and results of operations. We are subject to continued examination of our income tax returns, and tax authorities may disagree with our tax positions and assess additional tax. We regularly evaluate the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of our provision for income taxes. There can be no assurance that the outcomes from these continuing examinations will not have a negative impact on our future financial condition and operating results.

Certain tax policy efforts, including the Organisation for Economic Co-operation and Development's ("OECD") Base Erosion and Profit Shifting ("BEPS") Project, the European Commission's state aid investigations, and other initiatives could have an adverse effect on the taxation of international businesses. Furthermore, many of the countries where we are subject to taxes, including the United States, are independently evaluating their tax policy and we may see significant changes in legislation

and regulations concerning taxation. Certain countries have already enacted legislation which could affect international businesses, and other countries have become more aggressive in their approach to audits and enforcement of their applicable tax laws. Such changes, to the extent they are brought into tax legislation, regulations, policies, or practices, could increase our effective tax rates in many of the countries where we have operations and have an adverse effect on our overall tax rate, along with increasing the complexity, burden and cost of tax compliance, all of which could impact our operating results, cash flows and financial condition.

***Our success depends in part upon our ability to attract, retain and prepare succession plans for senior management and key employees.***

The performance of our Chief Executive Officer ("CEO"), senior management and other key employees is critical to our success. If we are unable to retain talented, highly qualified senior management and other key employees or attract them when needed, it could negatively impact our business. We rely on the experience of our senior management, most of whom have been with the Company for many years and as a result have specific knowledge relating to us and our industry that is difficult to replace and competition for management with experience in the communications industry is intense. A loss of the CEO, a member of senior management or key employee particularly to a competitor could also place us at a competitive disadvantage. Further, if we fail to adequately plan for the succession of our CEO, senior management and other key employees, our business could be negatively impacted.

***It may be difficult for us to recruit and retain the types of engineers and other highly-skilled employees that are necessary to remain competitive and layoffs of such skilled employees as a result of divestitures, restructuring activities or cost reductions may benefit our competitors.***

Competition for key technical personnel in high-technology industries is intense. As we expand our solutions and services business, we now have increased demand for technical personnel in areas like software development, which is an area of particularly high demand for skilled employees. We believe that our future success depends in large part on our continued ability to hire, assimilate, retain and leverage the skills of qualified engineers and other highly-skilled personnel needed to develop successful new products or services. We may not be as successful as our competitors at recruiting, assimilating, retaining and utilizing these highly-skilled personnel, which could have a negative impact on our business. In addition, as we have divested businesses and restructured our operations we have, in some cases, had to layoff engineers and other highly skilled employees. If these employees were to go to work for our competitors it could have a negative impact on our business.

***Returns on pension and retirement plan assets and interest rate changes could affect our earnings and cash flows in future periods.***

Although we engaged in pension de-risking activities in 2014, we continue to have large underfunded pension obligations, in part resulting from the fact that we retained almost all of the U.S. pension liabilities and a major portion of our non-U.S. pension liabilities following our divestitures, including the distribution of Motorola Mobility, the sale of our Networks business and the sale of our Enterprise business. The funding position of our pension plans is affected by the performance of the financial markets, particularly the equity and debt markets, and the interest rates used to calculate our pension obligations for funding and expense purposes. Minimum annual pension contributions are determined by government regulations and calculated based upon our pension funding status, interest rates, and other factors. If the financial markets perform poorly, we have been and could be required to make additional large contributions. The equity and debt markets can be volatile, and therefore our estimate of future contribution requirements can change dramatically in relatively short periods of time. Similarly, changes in interest rates can affect our contribution requirements. In volatile capital market environments, the uncertainty of material changes in future minimum required contributions increases.

***Changes in our operations or sales outside the U.S. markets could result in lost benefits in impacted countries and increase our cost of doing business.***

We have entered into various agreements with non-U.S. governments, agencies or similar organizations under which we receive certain benefits relating to its operations and/or sales in the jurisdiction. If our circumstances change, and operations or sales are not at levels originally anticipated, we may be at risk of having to reimburse benefits already granted, and losing some or all of these benefits and increasing our cost of doing business.

***We transferred a significant portfolio of intellectual property rights, including patents, to Motorola Mobility and Zebra and we are unable to leverage these intellectual property rights as we did prior to the distribution of Motorola Mobility or the sale of our Enterprise business.***

We contributed approximately 17,200 granted patents and approximately 8,000 pending patent applications worldwide to Motorola Mobility in connection with the distribution. We also transferred approximately 2,700 granted patents and approximately 800 pending patent applications to Zebra in connection with the sale of the Enterprise business. Although we have a worldwide, perpetual, royalty-free license to these patents and other intellectual property rights, we no longer own them. As a result we are unable to leverage these intellectual property rights for purposes of generating licensing revenue or entering into favorable licensing arrangements with third-parties. As a result we may incur increased license fees or litigation costs. Although we cannot predict the extent of such unanticipated costs, it is possible such costs could negatively impact our financial results.

***We are subject to a wide range of product regulatory and safety, consumer, worker safety and environmental laws that continue to expand and could impact our ability to grow our business, could subject us to unexpected costs and liabilities and could impact our financial performance.***

Our operations and the products we manufacture and/or sell are subject to a wide range of product regulatory and safety, consumer, worker safety and environmental laws. Compliance with such existing or future laws could subject us to future costs or liabilities, impact our production capabilities, constrict our ability to sell, expand or acquire facilities, restrict what products and services we can offer, and generally impact our financial performance. Some of these laws are environmental and relate to the use, disposal, clean up of, and exposure to certain substances. For example, in the U.S., laws often require parties to fund remedial studies or actions regardless of fault and often times in response to action or omissions that were legal at the time they occurred. We continue to incur disposal costs and have ongoing remediation obligations. Changes to environmental laws or our discovery of additional obligations under these laws could have a negative impact on our financial performance.

Laws focused on: (i) the energy efficiency of electronic products and accessories, (ii) recycling of both electronic products and packaging, (iii) reducing or eliminating certain hazardous substances in electronic products, and (iv) the transportation of batteries continue to expand significantly. Laws pertaining to accessibility features of electronic products, standardization of connectors and power supplies, the transportation of lithium-ion batteries and other aspects of our products are also proliferating. There are also demanding and rapidly changing laws around the globe related to issues such as product safety, radio interference, radio frequency radiation exposure, medical related functionality, and consumer and social mandates pertaining to use of wireless or electronic equipment. These laws, and changes to these laws, could have a substantial impact on whether we can offer certain products, solutions and services, on product costs, and on what capabilities and characteristics our products or services can or must include.

These laws could impact our products and negatively affect our ability to manufacture and sell products competitively. We expect these trends to continue. In addition, we anticipate that we will see increased demand to meet voluntary criteria related to reduction or elimination of certain constituents from products, increasing energy efficiency, and providing additional accessibility.

***We may be unable to obtain components and parts that are verified to be DRC Conflict Free, which could result in reputational damage if we disclose that our products include minerals that have been identified as "not found to be DRC conflict free" or if we disclose that we are unable to determine whether such minerals are included in our products.***

The Dodd-Frank Wall Street Reform and Consumer Protection Act included disclosure requirements regarding the use of tin, tantalum, tungsten and gold (which are defined as "conflict minerals") in our products and if the origin of these materials were from the DRC or an adjoining country. If the minerals originated from the DRC or an adjoining country then a company must disclose the measures it has taken to exercise due diligence and chain of custody to prevent the sourcing of such minerals that have been found to be financing conflict in the DRC. There is a limited pool of suppliers who can provide verifiable DRC Conflict Free components and parts, particularly since our supply chain is complex. As a result, we may be required to publicly disclose that we are not currently able to determine if the products we manufactured in 2017 are DRC Conflict Free. For future reporting years, if the industry systems that we are relying on are not mature enough for us to make a definitive Conflict Free determination, we may have to declare our products as "not found to be DRC conflict free," or such other definitional standard as determined by the SEC and/or the judicial system and we may face reputational challenges with our customers, other stockholders and the activist community as a result. In addition, the E.U. has passed conflict minerals legislation which may have an impact on our reporting obligations and compliance programs in Europe.

***Any system or network disruption could have negative impact on our operations, sales and operating results.***

We rely extensively on our information systems to manage our business operations. Our systems are subject to damage or interruption from various sources, including power outages, computer and telecommunications failures, computer viruses, cyber security breaches, vandalism, severe weather conditions, catastrophic events, terrorism, and human error, and our disaster recovery planning cannot account for all eventualities. If our systems are damaged, fail to function properly, or otherwise become compromised or unavailable, we may incur substantial costs to repair or replace them, and we may experience loss of critical data and interruptions or delays in our ability to perform critical functions, which could adversely affect our business and operating results. We also currently rely on a number of older legacy information systems that are harder to maintain and that we now have fewer resources to maintain since implementing our new ERP system. A system failure could negatively impact our operations and financial results. In addition, as we have outsourced more of our business operations we have increased our dependence on the IT systems of our outsourced business partners which are not under our direct management or control. Any disruption to either those outsourced systems or the communication links between Motorola Solutions and the outsourced supplier, may negatively impact our ability to manufacture, distribute, or repair products. We may incur additional costs to remedy the damages caused by these disruptions.

***We are subject to laws and regulations regarding privacy, data protection and information security, and our actual or perceived failure to comply with such legal obligations could adversely affect our business.***

The E.U. adopted the General Data Protection Regulation ("GDPR") which took effect on May 25, 2018 harmonizing data protection laws across the EU. The GDPR strengthens individual privacy rights and enhances data protection obligations for processors and controllers of personal data. This includes expanded disclosures about how personal information is to be used, limitations on retention of information and mandatory data breach notification requirements. Non-compliance with the GDPR can trigger fines of up to €20 million or 4% of total worldwide annual revenue, whichever is greater.

Also, U.S. federal, state and other foreign governments and agencies have adopted or are considering adopting laws and regulations regarding the collection, storage, use, processing and disclosure personal data. Because the interpretation and application of privacy and data protection laws are still uncertain, it is

possible that these laws may be interpreted and applied in a manner that is inconsistent with our existing practices or the features of our products, services and software.

Any failure or perceived failure by us, our business partners, or third party service providers to comply with GDPR, other federal, state or international privacy-related or data protection laws and regulations, or the privacy commitments contained in contracts could result in proceedings against us by governmental entities or others and significant fines, which could have a material adverse effect on our business and operating results and harm our reputation.

In addition, some countries are considering legislation requiring local storage and processing of data that, if enacted, could increase the cost and complexity of offering our product, services and software or maintaining our business operations in those jurisdictions.

## **II. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

### **2.1 Interest Rate Risk**

As of June 30, 2018, we have \$5.6 billion of long-term debt, including the current portion of long-term debt, which is primarily priced at long-term, fixed interest rates. Our subsidiaries have variable interest loans denominated in the Euro and Chilean Peso. We have interest rate swap agreements in place which change the characteristics of interest rate payments from variable to maximum fixed-rate payments. A hypothetical unfavorable movement of 10% in the interest rates would have an immaterial impact on the hedge's fair value.

### **2.2 Foreign Currency Risk**

We use financial instruments to reduce our overall exposure to the effects of currency fluctuations on cash flows. Our policy prohibits speculation in financial instruments for profit on exchange rate price fluctuations, trading in currencies for which there are no underlying exposures, or entering into transactions for any currency to intentionally increase the underlying exposure. Instruments that are designated as part of a hedging relationship must be effective at reducing the risk associated with the exposure being hedged and are designated as part of a hedging relationship at the inception of the contract. Accordingly, changes in the market values of hedge instruments must be highly correlated with changes in market values of the underlying hedged items both at the inception of the hedge and over the life of the hedge contract.

Our strategy related to foreign exchange exposure management is to offset the gains or losses on the financial instruments against losses or gains on the underlying operational cash flows or investments based on our assessment of risk. We enter into derivative contracts for some of our non-functional currency cash, receivables, and payables, which are primarily denominated in major currencies that can be traded on open markets. We typically use forward contracts and options to hedge these currency exposures. In addition, we enter into derivative contracts for some forecasted transactions, which are designated as part of a hedging relationship if it is determined that the transaction qualifies for hedge accounting under the provisions of the authoritative accounting guidance for derivative instruments and hedging activities. A portion of our exposure is from currencies that are not traded in liquid markets and these are addressed, to the extent reasonably possible, by managing net asset positions, product pricing and component sourcing.

As of June 30, 2018, we had outstanding foreign exchange contracts with notional amounts totaling \$681 million, compared to \$507 million outstanding as of December 31, 2017. Management believes that these financial instruments should not subject us to undue risk due to foreign exchange movements because gains and losses on these contracts should generally offset gains and losses on the underlying assets, liabilities and transactions.

The following table shows the five largest net notional amounts of the positions to buy or sell foreign currency as of June 30, 2018, and the corresponding positions as of December 31, 2017:

<i>Net Buy (Sell) by Currency</i>	<i>Notional Amount</i>	
	<b>June 30, 2018</b>	<i>December 31, 2017</i>
Euro	\$ 245	\$ 149
British Pound	162	72
Chinese Renminbi	(68)	(73)
Australian Dollar	(66)	(64)
Brazilian Real	(39)	(45)

Foreign exchange financial instruments that are subject to the effects of currency fluctuations, which may affect reported earnings, include derivative financial instruments and other monetary assets and liabilities denominated in a currency other than the functional currency of the legal entity holding the instrument. Derivative financial instruments consist primarily of currency forward contracts and options. Other monetary assets and liabilities denominated in a currency other than the functional currency of the legal entity consist primarily of cash, cash equivalents, short-term investments, as well as accounts payable and receivable. Accounts payable and receivable are reflected at fair value in the financial statements. Assuming the amounts of the outstanding foreign exchange contracts represent our underlying foreign exchange risk related to monetary assets and liabilities, a hypothetical unfavorable 10% movement in the foreign exchange rates, from current levels, would reduce the value of those monetary assets and liabilities by approximately \$52 million. Our market risk calculation represents an estimate of reasonably possible net losses that would be recognized assuming hypothetical 10% movements in future currency market pricing and is not necessarily indicative of actual results, which may or may not occur. It does not represent the maximum possible loss or any expected loss that may occur, since actual future gains and losses will differ from those estimated, based upon, among other things, actual fluctuation in market rates, operating exposures, and the timing thereof. We believe, however, that any such loss incurred would be offset by the effects of market rate movements on the respective underlying derivative financial instruments transactions. The foreign exchange financial instruments are held for purposes other than trading.

## **SECTION B — SUPPLEMENTAL INFORMATION CONCERNING THE ESPP**

### **I. THE OUTLINE**

#### **1.1 Purpose of the ESPP**

The purpose of the ESPP is to provide an opportunity for the eligible employees of the Company and its designated subsidiaries to purchase shares of the common stock, \$.01 par value per share, of the Company (the "Common Stock") at a discount through voluntary automatic payroll deductions, thereby attracting, retaining and rewarding such persons and strengthening the mutuality of interest between such persons and the Company's stockholders.

#### **1.2 Shares Offered Under the ESPP**

The ESPP was last amended at the annual meeting of the stockholders on May 18, 2015 to increase the number of Shares available for issuance under the ESPP to 41,757,142 Shares.

As of July 31, 2018, 34,217,048 Shares have been issued under the ESPP and 7,540,094 Shares were available for future issuance (out of a maximum of 41,757,142 Shares authorized for the duration of the

ESPP). Such Shares may be authorized but unissued Common Stock, treasury shares or Common Stock purchased in the open market. If there is any change in the number, class or terms of the Shares by reason of a stock dividend, stock split, recapitalization, reorganization, merger, consolidation, spin-off, disaffiliation of a subsidiary, combination of shares, exchange of shares, stock rights offering or other similar event, the number and class of Shares available for sale, subject to an adjusted maximum of Shares, the per Share price used to determine the purchase price and the number of Shares covered by each unexercised right under the ESPP, shall be equitably adjusted by the Committee to give proper effect to such change.

### **1.3 Purchase Period**

The ESPP is operated using consecutive Offering Periods with a new Offering Period commencing on the first trading day on or after April 1 and October 1 of each year, or on such other date as the Committee determines, and continuing thereafter to the last trading day of the respective six-month period or until terminated in accordance with the terms of the ESPP. The first Offering Period under the ESPP commenced on October 1, 1999. For purposes of the foregoing, "trading day" means a day on which the NYSE is open for trading. The Committee has the power to change the duration of Offering Periods (including the commencement dates thereof) with respect to future offerings. The last trading day of each Offering Period prior to the termination of the ESPP (or such other trading date as the Committee determines) constitutes the purchase dates (the "Share Purchase Dates") on which Shares are acquired on behalf of participating employees.

### **1.4 Purchase Price**

The "Purchase Price" for Shares purchased under the ESPP is the lesser of an amount equal to 85% of the closing price of Shares (i) at the beginning of the Offering Period or (ii) on the Share Purchase Date. For these purposes, the closing price is the closing price of a Share as reported in the NYSE Composite Transactions as reported in the Wall Street Journal at [www.online.wsj.com](http://www.online.wsj.com). The Committee shall have the authority to establish a different Purchase Price as long as any such Purchase Price applicable to an offering under Section 423 of the U.S. Internal Revenue Code (the "Code") complies with the provisions of such Section 423.

### **1.5 Purchase of Shares**

ESPP participants may purchase Shares having a fair market value on the first trading day of the applicable Offering Period of not more than \$25,000 per calendar year. Subject to this limitation and the other limitations set forth in the ESPP, on each Share Purchase Date, the amount credited to each participating employee's Payroll Deduction Account (as defined in Section 2.3 below) as of the last day of the Offering Period (or such other date as the Committee shall determine) will be applied to purchase as many Shares, including fractional shares, as may be purchased with such amount at the applicable Purchase Price. Any amount remaining in an employee's Payroll Deduction Account as of the relevant Share Purchase Date in excess of the amount that may properly be applied to the purchase of Shares as a result of the application of the limitations under the ESPP or as designated by the Committee will be refunded without interest, to the employee, as soon as practicable. ESPP participants may purchase Shares only through payroll deductions, and cash contributions are not permitted.

### **1.6 Termination or Amendment of the ESPP**

The Board or the Committee may amend the ESPP at any time, provided that if shareholder approval is required pursuant to the Code, United States securities laws or regulations, or the rules or regulations of the NYSE (or any other securities exchange on which the Common Stock is listed or traded), then no such amendment will be effective unless approved by the Company's stockholders within such time period and manner as may be required. The Board or Committee may suspend the ESPP or discontinue the ESPP at any time. Upon termination of the ESPP, all payroll deductions will cease and all amounts then credited to the participating employees' Payroll Deduction Account (as defined in Section 2.3 below)

will be equitably applied to the purchase of whole Shares then available for sale, and any remaining amounts will be promptly refunded without interest to the participating employees.

## **II. ELIGIBILITY**

### **2.1 Eligible Employees**

All eligible employees of the Company, and of each subsidiary of the Company designated by the Committee (a "designated company"), are eligible to participate in the ESPP. For the purposes of the ESPP, the term "eligible employee" means any individual in an employee-employer relationship with the Company or a designated company of the Company, for income tax and employment tax withholding and reporting purposes, regardless of any subsequent reclassification by the Company or designated company, any governmental agency, or any court. For purposes of clarity, the term "eligible employee" shall not include: i) any independent contractor; (ii) any consultant; (iii) any individual performing services for the Company or a designated company who has entered into an independent contractor or consultant agreement with the Company or a designated company; (iv) any individual performing services for the Company or a designated company under an independent contractor or consultant agreement, a purchase order, a supplier agreement or any other agreement that the Company or a designated company enters into for services; (v) any individual classified by the Company or a designated company as contract or contingent labor (such as contractors, contract employees, job shoppers), regardless of length of service; (vi) any individual whose base wage or salary is not processed for payment by the payroll department(s) or payroll provider(s) of the Company or a designated company; and (vii) any leased employee. The Committee or its designated administrator shall have exclusive discretion to determine whether an individual is an eligible employee for purposes of the ESPP.

The term "subsidiary" means a "subsidiary corporation" as defined in Section 424(f) of the Code, which shall be any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if, at the time of the granting of the rights under the ESPP, each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

Notwithstanding the foregoing, the Company will not permit the exercise of any right to purchase Shares under the ESPP to an employee who, immediately after the right is granted, would own stock of the Company possessing 5% or more of the total combined voting power or value of all classes of stock of the Company or any subsidiary of the Company. For the purposes of this prohibition of the ESPP, the provisions of Section 424(d) of the Code will apply in determining the stock ownership of an employee, and the Shares which an employee may purchase under outstanding rights or options shall be treated as Shares owned by the employee.

### **2.2 Participation of Eligible Employees**

An eligible employee may elect to participate in the ESPP during any "Enrollment Period". Enrollment Periods occur on or before the first day of an Offering Period. Any such election must be made by completing the online enrollment process through the Company's designated ESPP broker or where internet access is unavailable, by completing and submitting an enrollment and payroll deduction authorization form to the Company during such Enrollment Period, authorizing contributions as permitted by the ESPP.

### **2.3 Payroll Deductions**

Upon enrolling in the ESPP, an eligible employee may authorize payroll deductions in an amount not exceeding 20% of the employee's eligible pay for the payroll period to which the deduction applies. A participating employee may increase or decrease payroll deductions as of any subsequent Enrollment Period by changing his or her election through the Company's designated ESPP broker or where internet

access is unavailable, by completing and submitting an enrollment and payroll deduction authorization form to the Company during such Enrollment Period, provided that changes in payroll deductions will not be permitted to the extent that they would result in total payroll deductions exceeding 20% of the employee's eligible pay or such other amount as may be determined by the Committee. An eligible employee may not initiate, increase or decrease payroll deductions as of any date other than during an Enrollment Period. For purposes of the ESPP, the term "eligible pay" means an eligible employee's base pay which shall include base wages or salary payable in cash during the pay period before (i) deduction required for income tax, social contributions or other similar withholding and (ii) any amounts deferred by an eligible employee under a deferred compensation arrangement, but shall not include commissions, bonuses, annual awards, equity compensation (such as stock options or restricted stock units ("RSUs")), other incentive payments, expense reimbursements, allowances or other compensation directly or indirectly paid during the pay period.

Upon enrollment, the Company will establish an ESPP contribution account for each participating employee, and will credit all payroll deductions made on behalf of each employee to his or her contribution account ("Payroll Deduction Account"). No interest will be credited to any Payroll Deduction Account.

#### **2.4 Discontinuance of Participation of Participating Employees**

A participating employee may withdraw from an Offering Period by completing the online withdrawal process through the Company's designated ESPP broker or contacting the Company. A notice of withdrawal must be received by the first trading day of the last month of an Offering Period in order for such withdrawal to be effective during the current Offering Period and for a refund to be administered. Withdrawal during an Enrollment Period is from the next Offering Period. In such case, contributions for the current Offering Period are used to purchase Shares. Upon receipt of such notice, payroll deductions on behalf of the employee will be discontinued commencing with the immediately following payroll period, and such employee may not again be eligible to participate in the ESPP until the next Enrollment Period. Amounts credited to the Payroll Deduction Account of any employee who withdraws by the first trading day of the last month of an Offering Period will be refunded, without interest, as soon as practicable.

#### **2.5 Termination of Employment of Participating Employees**

If a participating employee's employment is terminated for any reason, including death, or if an employee otherwise ceases to be eligible to participate in the ESPP prior to the last day of the Offering Period (and in Germany, including the last day of the Offering Period), payroll deductions on behalf of the employee will be discontinued and any amounts then credited to the employee's Payroll Deduction Account will be refunded, without interest, as soon as practicable, except as otherwise provided by the Committee. Notwithstanding the above, but subject to the discretion of the Committee, if an employee is granted a paid leave of absence, payroll deductions on behalf of the employee will continue and any amounts credited to the employee's Payroll Deduction Account may be used to purchase Shares as provided under the ESPP. In addition, if employees are granted an unpaid leave of absence, payroll deductions on behalf of the employee will be discontinued and no other contributions will be permitted (unless otherwise determined by the administrator of the ESPP or required by applicable laws), but any amounts then credited to the employee's Payroll Deduction Account may be used to purchase Shares on the next applicable Share Purchase Date. In addition, the Committee has approved an exception for employees of designated subsidiaries of the Company in the United Kingdom to reflect local legal requirements. If participants in such United Kingdom subsidiaries are granted an unpaid leave of absence or the participants' payroll contribution while on leave is not sufficient for the participant's ESPP contribution, the participant may continue to make contributions other than by payroll.

### **III. DELIVERY AND SALE OF THE SHARES**

By enrolling in the ESPP, each participating employee is deemed to have authorized the establishment of a brokerage account on his or her behalf at a securities brokerage firm selected by the Committee.

Alternatively, the Committee may provide for ESPP share accounts for each participating employee to be established by the Company or by an outside entity selected by the Committee which is not a brokerage firm. Shares purchased by an employee pursuant to the ESPP will be deposited into and held in the employee's brokerage or ESPP share account in his or her name.

#### **IV. RIGHTS RELATED TO THE SHARES**

##### **4.1 Type and Class of the Securities Being Offered, Including the Security Identification Code**

As of June 30, 2018, Motorola Solutions was authorized to issue 600,500,000 shares, consisting of 600,000,000 Shares and 500,000 shares of preferred stock, par value \$100. As of June 30, 2018, there were 162,266,801 Shares outstanding, all of which are fully paid, and no shares of preferred stock outstanding.

Motorola Solutions' Shares are listed on the NYSE under the symbol "MSI." The CUSIP for the Shares is 620076307.

##### **4.2 Legislation Under Which the Securities Have Been Created**

The Shares were created under the DGCL.

##### **4.3 Form of Securities, Name and Address of the Entity in Charge of Keeping the Records**

Shareholders may hold Shares at their choosing, either in book entry or street name form. The records are kept by Motorola Solutions' transfer agent and registrar, EQ Shareholder Services. The address and telephone number of EQ Shareowner Services are:

EQ Shareowner Services  
1110 Centre Pointe Curve, Suite 101  
Mendota Heights, MN 55120, USA  
Toll free: +1 800.704.4098  
International: + 1 651 450 4064

E\*TRADE Financial Corporate Services, Inc. and its affiliates (E\*TRADE) (4005 Windwood Plaza, Alpharetta, Georgia 30005, USA), is the recordkeeper and coordinates the efforts of Motorola Solutions' transfer agent, EQ Shareowner Services, to facilitate participant transactions.

The telephone number of E\*TRADE Customer Service for participants in the EEA is +1.650.599.0125. Customer support is available to serve participating employees from 12:00 a.m. Monday to 11:59 p.m. Friday, Eastern Time. A toll free number is also available for participants in Germany and the United Kingdom at 00-800-3338-7233 with Customer Support available from 5:00 a.m. Monday to 4:59 a.m. Saturday, Greenwich Mean Time.

The Shares purchased through the payroll deductions will be deposited in a brokerage account at E\*TRADE Securities LLC, an affiliate of E\*TRADE, in the United States for each participating employee as soon as is administratively feasible after the end of each Offering Period. It is the Company's expectation that the Shares will be available no more than five trading days after the end of an Offering Period. E\*TRADE will e-mail or mail participating employees a statement following each transaction. Unless otherwise determined by the Committee or required by any applicable law, rule or regulation, Motorola Solutions shall not deliver to any participating employee certificates evidencing Shares issued in connection with any purchase under the ESPP.

The quarterly dividends (if any) will be automatically reinvested towards the purchase of additional Shares at market price on the day of their payment. If the participating employee wishes to receive his/her dividends and not reinvest them, he/she must so request from E\*TRADE.

The participating employees will not have to pay a brokerage fee for opening an account with E\*TRADE, nor for the management of their account or the purchase of Shares. Motorola Solutions will assume the cost of these fees. On the other hand, if a participating employee decides to sell his or her Shares that were bought in connection with ESPP, he or she must pay a brokerage fee for their sale. These fees (which are subject to change) are further described below:

### **Sales commission**

Flat fee of \$12.99 for each transaction  
Plus \$0.02 for each share sold

### Commissions for other services (per transaction)

Wire transfer fee	\$15
Check issued in local currency (non-U.S. only)*	\$10
Fed Ex delivery within and outside the U.S.	\$25.00
Currency conversion fee	2.25% of proceeds

\*There is no additional fee for a U.S. dollar check sent by regular mail within the U.S.

A broker assist fee of \$25.00 per transaction will also be charged if an employee has the ability to initiate a transaction online, but instead chooses to do it by calling E\*TRADE's Customer Service Center.

In addition, the SEC imposes a fee on the transfer of the Shares. This fee is paid to the SEC at the time of sale and is required for all equity trades. Upon selling the Shares, the participating employees will be charged a fee equal to \$0.000013 multiplied by the total principal amount of the sale proceeds. The SEC may announce new fee rates at its discretion.

## **4.4 Currency of the Securities Issue**

The United States Dollar is the currency of the securities issue. Participating employees assume the risk of any currency fluctuations at the time of (i) their contribution to the ESPP by payroll deductions and (ii) the selling of their Shares.

## **4.5 Rights Attached to the Securities**

No participating employee shall have any voting, dividend, or other shareholder rights with respect to any offering under the ESPP until the Shares have been purchased by the participating employee as provided in Section III above. Following such purchase, the participating employee shall be entitled to the rights attached to the Shares, as further described below:

**Dividend Rights.** Article 4(2) of the Certificate of Incorporation provides that the holders of Shares shall be entitled to dividends only if, when and as the same shall be declared by the Board and as may be permitted by law. Under the DGCL and subject to preferences that may apply to shares of Motorola Solutions preferred stock outstanding at the time, the holders of outstanding Shares are entitled to receive dividends either (1) out of the surplus, or (2) in case there shall be no such surplus, out of the company's net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year as Motorola Solutions' Board may from time to time determine (see Section 170 DGCL).

The Company paid its first quarterly dividend in 2011, at an amount of \$0.22 per Share. Currently, the Company pays a quarterly dividend of \$0.52 per Share. Future dividends are subject to declaration by the Board.

The Company paid cash dividends to holders of its Shares of \$307 million in 2017, \$280 million in 2016, and \$277 million in 2015. During the three months ended June 30, 2018 and July 1, 2017, the Company paid \$84 million and \$77 million, respectively, in cash dividends to holders of its Shares. During the six months ended June 30, 2018 and July 1, 2017, the Company paid \$168 million and \$154 million, respectively, in cash dividends to holders of its Shares.

**Voting Rights.** Article 4(3) of the Certificate of Incorporation provides that each Share shall entitle the holder thereof to one vote, in person or by proxy, at any and all meetings of the stockholders of the corporation on all propositions before such meetings and elections of Directors of Motorola Solutions. Special meetings of stockholders of Motorola Solutions, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the Chairman of the Board or by the Board.

The annual meeting of stockholders of Motorola Solutions shall be held on the first Monday in the month of May in each year, at the hour of 5:00 o'clock P.M., or at such other day and hour as may be fixed by or under the authority of the Board, for the purpose of electing directors and for the transaction of such other business as may come before the meeting.

Pursuant to Article III, Section 4 of the Company's Amended and Restated Bylaws, and subject to Section 11 of the same Article III, each outstanding Share, regardless of class, shall be entitled to one vote on each matter submitted to a vote at a meeting of stockholders, except to the extent that the voting rights of any class or classes are enlarged, limited or denied by the Certificate of Incorporation or in the manner therein provided.

Pursuant to Section 242 of the DGCL, after a corporation has received payment for any of its capital stock, it may amend its certificate of incorporation, from time to time, in any and as many respects as may be desired, so long as its certificate of incorporation as amended would contain only such provisions as it would be lawful and proper to insert in an original certificate of incorporation filed at the time of the filing of the amendment; and, if a change in stock or the rights of stockholders, or an exchange, reclassification, subdivision, combination or cancellation of stock or rights of stockholders is to be made, such provisions as may be necessary to effect such change, exchange, reclassification, subdivision, combination or cancellation. In particular, and without limitation upon such general power of amendment, a corporation may amend its certificate of incorporation, from time to time, so as:

- (1) To change its corporate name; or
- (2) To change, substitute, enlarge or diminish the nature of its business or its corporate powers and purposes; or
- (3) To increase or decrease its authorized capital stock or to reclassify the same, by changing the number, par value, designations, preferences, or relative, participating, optional, or other special rights of the shares, or the qualifications, limitations or restrictions of such rights, or by changing shares with par value into shares without par value, or shares without par value into shares with par value either with or without increasing or decreasing the number of shares, or by subdividing or combining the outstanding shares of any class or series of a class of shares into a greater or lesser number of outstanding shares; or
- (4) To cancel or otherwise affect the right of the holders of the shares of any class to receive dividends which have accrued but have not been declared; or
- (5) To create new classes of stock having rights and preferences either prior and superior or subordinate and inferior to the stock of any class then authorized, whether issued or unissued; or

- (6) To change the period of its duration; or
- (7) To delete:
- a. Such provisions of the original certificate of incorporation which named the incorporator or incorporators, the initial board of directors and the original subscribers for shares; and
  - b. Such provisions contained in any amendment to the certificate of incorporation as were necessary to effect a change, exchange, reclassification, subdivision, combination or cancellation of stock, if such change, exchange, reclassification, subdivision, combination or cancellation has become effective.

Any or all such changes or alterations may be effected by one certificate of amendment.

The board of directors shall adopt a resolution setting forth the amendment proposed, declaring its advisability, and either calling a special meeting of the stockholders entitled to vote in respect thereof for the consideration of such amendment or directing that the amendment proposed be considered at the next annual meeting of the stockholders; provided, however, that unless otherwise expressly required by the certificate of incorporation, no meeting or vote of stockholders shall be required to adopt an amendment that effects only changes described in paragraph (a)(1) or (7) of Section 242 of the DGCL. Such special or annual meeting shall be called and held upon written notice given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting as of the record date for determining the stockholders entitled to notice of the meeting. The notice shall set forth such amendment in full or a brief summary of the changes to be effected thereby, as the directors shall deem advisable. At the meeting a vote of the stockholders entitled to vote thereon shall be taken for and against the proposed amendment. If a majority of the outstanding stock entitled to vote thereon, and a majority of the outstanding stock of each class entitled to vote thereon as a class has been voted in favor of the amendment, a certificate setting forth the amendment and certifying that such amendment has been duly adopted in accordance with Section 242 of the DGCL shall be executed, acknowledged and filed and shall become effective.

***Right to Receive Liquidation Distributions.*** Upon a liquidation, dissolution or winding-up of the company, the assets legally available for distribution to stockholders are distributable ratably among the holders of the Shares outstanding at that time after payment of any liquidation preferences on any outstanding preferred stock.

***No Preemptive, redemptive or conversion provisions.*** The Shares are not entitled to preemptive rights and are not subject to conversion or redemption.

#### **4.6 Transferability**

The Shares in this offering are registered on Form S-8 with the SEC and are generally freely transferable.

Participation in ESPP is entirely voluntary. There is no guarantee against loss. As an investor, in seeking the benefits of share ownership, participating employees must also accept the risks.

#### **4.7 General Provisions Applying To Business Combinations**

The Company is subject to Section 203 of the DGCL, which, subject to certain exceptions, prohibits a Delaware corporation from engaging in any "business combination" with an "interested stockholder" for a period of three (3) years following the time that such stockholder became an interested stockholder, unless:

- the board of directors of the corporation approves either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder, prior to the time

the interested stockholder attained that status;

- upon the closing of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least eighty-five (85%) of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the number of shares outstanding (but not the outstanding voting stock owned by the interested stockholder), those shares owned (i) by persons who are directors and also officers and (ii) by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- at or subsequent to such time, the business combination is approved by the board of directors and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least two-thirds of the outstanding voting stock that is not owned by the interested stockholder.

With certain exceptions, an "interested stockholder" under Section 203 of the DGCL is a person or group who or which owns fifteen percent (15%) or more of the corporation's outstanding voting stock (including any rights to acquire stock pursuant to an option, warrant, agreement, arrangement or understanding, or upon the exercise of conversion or exchange rights, and stock with respect to which the person has voting rights only), or is an affiliate or associate of the corporation and was the owner of fifteen percent (15%) or more of such voting stock at any time within the previous three (3) years.

In general, Section 203 of the DGCL defines a business combination to include:

- any merger or consolidation involving the corporation or any of its subsidiaries with the interested stockholder;
- any sale, transfer, pledge or other disposition of ten percent (10%) or more of the assets of the corporation involving the interested stockholder;
- subject to certain exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation or any of its subsidiaries to the interested stockholder;
- any transaction involving the corporation or any of its subsidiaries that has the effect of increasing the proportionate share of the stock or any class or series of the corporation or of any such subsidiary beneficially owned by the interested stockholder; or
- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation or any of its subsidiaries.

A Delaware corporation, such as the Company, may "opt out" of this provision with an express provision in its original certificate of incorporation or an express provision in its certificate of incorporation or bylaws resulting from a stockholders' amendment approved by at least a majority of the outstanding voting shares. However, the Company has not "opted out" of this provision. Section 203 could prohibit or delay mergers or other takeover or change-in-control attempts and, accordingly, may discourage attempts to acquire the Company.

Section 253 of the DGCL authorizes the board of directors of a Delaware corporation that owns ninety percent (90%) or more of each of the outstanding classes of stock of a subsidiary that are entitled to vote on a merger to merge the subsidiary into itself without any requirement for action to be taken by the board of directors of the subsidiary.

Section 251(h) of the DGCL, subject to certain exceptions, permits parties entering into a merger agreement to "opt in" to eliminate a target stockholder vote on a back-end merger following a tender or exchange offer in which the acquirer accumulates sufficient shares to approve the merger agreement (a majority unless the target has adopted a higher vote requirement) but less than the 90% necessary to effect a short-form merger. Section 251(h) of the DGCL applies only to target corporations that have a class or series of stock that is listed on a national securities exchange or held of record by more than 2,000 holders, such as the Company.

## V. STATEMENT OF CAPITALIZATION AND INDEBTEDNESS (AS OF JUNE 30, 2018)

### 5.1 Capitalization and Indebtedness (in millions of US Dollars – unaudited)

Total Current debt	\$	347
- Guaranteed		-
- Secured		-
- Unguaranteed / Unsecured	\$	347
Total Non-Current debt (excluding current portion of long-term debt)	\$	5,298
- Guaranteed		-
- Secured		-
- Unguaranteed / Unsecured	\$	5,298
Stockholders' equity		
a. Share Capital and Additional Paid-in Capital	\$	446
b. Legal Reserve		-
c. Total Other Reserves	\$	(1,953)
- Retained earnings	\$	627
- Accumulated other comprehensive loss	\$	(2,580)
Total stockholders' deficit	\$	(1,492)
- Total Motorola Solutions stockholders' deficit	\$	(1,507)
- Non-controlling interests	\$	15

The stockholders' deficit is primarily the result of the Company's share repurchase program. Through a series of actions, the Board has authorized the Company to repurchase in the aggregate up to \$14.0 billion of its outstanding Shares (the "share repurchase program"). The share repurchase program does not have an expiration date. As of June 30, 2018, the Company had used approximately \$12.4 billion of the share repurchase authority, including transaction costs, to repurchase Shares, leaving \$1.6 billion of authority available for future repurchases.

### 5.2 Net Indebtedness (in millions of US Dollars – unaudited)

A.	Cash and cash equivalents	\$	941
B.+C.	Short term investments		-
<b>D.</b>	<b>Liquidity (A) + (B) + (C)</b>	<b>\$</b>	<b>941</b>
<b>E.</b>	<b>Current Financial Receivable</b>	<b>\$</b>	<b>16</b>
F.	Current Bank debt		-
G.	Current portion of non-current debt	\$	347
H.	Other current financial debt		-
<b>I.</b>	<b>Current Financial Debt (F) + (G) + (H)</b>	<b>\$</b>	<b>347</b>
<b>J.</b>	<b>Net Current Financial Indebtedness (I) – (E) – (D)</b>	<b>\$</b>	<b>(610)</b>

K.	Non-current Bank loans	\$	4,861
L.	Bonds Issued	\$	437
M.	Other non-current debt		-
<b>N.</b>	<b>Non-current Financial Indebtedness (K) + (L) + (M)</b>	<b>\$</b>	<b>5,298</b>
<b>O.</b>	<b>Net Financial Indebtedness (J) + (N)</b>	<b>\$</b>	<b>4,688</b>

### 5.3 Indirect and Contingent Indebtedness

The information contained in this Section 5.3 is excerpted from Note 11. Commitments and Contingencies contained in Motorola Solutions' Form 10-K, and in Note 10. Long-term Financing and Sales of Receivables, Note 11. Commitments and Contingencies, and the section "Other Contingencies" contained in the Second Quarter 10-Q.

#### Long-term Financing

Long-term receivables consist of receivables with payment terms greater than twelve months, long-term loans and lease receivables under sales-type leases. Long-term receivables consist of the following:

	<b>June 30, 2018</b>	<i>December 31, 2017</i>
Long-term receivables	\$ 30	\$ 37
Less current portion	(16)	(18)
Non-current long-term receivables	\$ 14	\$ 19

The current portion of long-term receivables is included in Accounts receivable, net and the non-current portion of long-term receivables is included in Other assets in the Company's condensed consolidated balance sheets. The Company had outstanding commitments to provide long-term financing to third parties totaling \$128 million at June 30, 2018, compared to \$93 million at December 31, 2017.

#### Sales of Receivables

The following table summarizes the proceeds received from sales of accounts receivable and long-term receivables for the three and six months ended June 30, 2018 and July 1, 2017:

	<i>Three Months Ended</i>		<i>Six Months Ended</i>	
	<b>June 30, 2018</b>	<i>July 1, 2017</i>	<b>June 30, 2018</b>	<i>July 1, 2017</i>
Accounts receivable sales proceeds	\$ 22	\$ 61	\$ 76	\$ 80
Long-term receivables sales proceeds	15	22	28	68
Total proceeds from receivable sales	\$ 37	\$ 83	\$ 104	\$ 148

At June 30, 2018, the Company had retained servicing obligations for \$844 million of long-term receivables, compared to \$873 million at December 31, 2017. Servicing obligations are limited to collection activities related to the sales of accounts receivables and long-term receivables.

#### Credit Quality of Financing Receivables and Allowance for Credit Losses

An aging analysis of financing receivables at June 30, 2018 and December 31, 2017 is as follows:

<i>June 30, 2018</i>	<i>Total Long-term Receivable</i>	<i>Current Billed Due</i>	<i>Past Due Under 90 Days</i>	<i>Past Due Over 90 Days</i>
Municipal leases secured tax exempt	\$ 17	\$ —	\$ —	\$ 2
Commercial loans and leases secured	13	1	—	1
Long-term receivables, including current portion	\$ 30	\$ 1	\$ —	\$ 3

<i>December 31, 2017</i>	<i>Total Long-term Receivable</i>	<i>Current Billed Due</i>	<i>Past Due Under 90 Days</i>	<i>Past Due Over 90 Days</i>
Municipal leases secured tax exempt	\$ 21	\$ —	\$ 1	\$ 2
Commercial loans and leases secured	16	1	3	1
Long-term receivables, including current portion	\$ 37	\$ 1	\$ 4	\$ 3

### **Lease Obligations**

The Company leases certain office, factory and warehouse space, land, and IT and other equipment under principally non-cancelable operating leases. Rental expense, net of sublease income, for the years ended December 31, 2017, 2016 and 2015 was \$94 million, \$84 million, and \$42 million, respectively.

At December 31, 2017, future minimum lease obligations, net of minimum sublease rentals, for the next five years and beyond are as follows:

<i>(in millions)</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>Beyond</i>
	\$ 121	\$ 107	\$ 82	\$ 64	\$ 53	\$ 234

### **Purchase Obligations**

During the normal course of business, in order to manage manufacturing lead times and help ensure adequate component supply, the Company enters into agreements with contract manufacturers and suppliers that either allow them to procure inventory based upon criteria as defined by the Company or establish the parameters defining the Company's requirements. In addition, we have entered into software license agreements which are firm commitments and are not cancelable. As of December 31, 2017, the Company had entered into firm, noncancelable, and unconditional commitments under such arrangements through 2022. The Company expects to make total payments of \$237 million under these arrangements as follows: \$173 million in 2018, \$41 million in 2019, \$15 million in 2020, \$7 million in 2021, and \$1 million in 2022.

The Company outsources certain corporate functions, such as benefit administration and IT-related services, under various contracts, the longest of which is expected to expire in 2022. The remaining payments under these contracts are approximately \$97 million over the remaining life of the contracts. However, these contracts can be terminated. Termination would result in a penalty substantially less than the remaining annual contract payments. The Company would also be required to find another source for these services, including the possibility of performing them in-house.

### **Legal Matters**

The Company is a defendant in various lawsuits, claims, and actions, which arise in the normal course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Company's condensed consolidated financial position, liquidity, or results of operations. However, an unfavorable resolution could have a material adverse effect on the Company's consolidated financial position, liquidity, or results of operations in the periods in which the matters are

ultimately resolved, or in the periods in which more information is obtained that changes management's opinion of the ultimate disposition.

### ***Other Indemnifications***

The Company is a party to a variety of agreements pursuant to which it is obligated to indemnify the other party with respect to certain matters. In indemnification cases, payment by the Company is conditioned on the other party making a claim pursuant to the procedures specified in the particular contract, which procedures typically allow the Company to challenge the other party's claims. In some instances, the Company may have recourse against third parties for certain payments made by the Company.

Some of these obligations arise as a result of divestitures of the Company's assets or businesses and require the Company to indemnify the other party against losses arising from breaches of representations and warranties and covenants and, in some cases, the settlement of pending obligations. The Company's obligations under divestiture agreements for indemnification based on breaches of representations and warranties are generally limited in terms of duration and to amounts not in excess of a percentage of the contract value. The Company had no accruals for any such obligations at June 30, 2018.

In addition, the Company may provide indemnifications for losses that result from the breach of general warranties contained in certain commercial and intellectual property agreements. Historically, the Company has not made significant payments under these agreements.

### ***Potential Contractual Damage Claims in Excess of Underlying Contract Value***

In certain circumstances, we may enter into contracts with customers pursuant to which the damages that could be claimed by the other party for failed performance might exceed the revenue we receive from the contract. Contracts with these types of uncapped damage provisions are fairly rare, but individual contracts could still represent meaningful risk. There is a possibility that a damage claim by a counterparty to one of these contracts could result in expenses to us that are far in excess of the revenue received from the counterparty in connection with the contract.

## **VI. MAXIMUM DILUTION AND NET PROCEEDS**

### **6.1 Maximum Dilution**

The Shares under the ESPP are offered pursuant to this prospectus to 3,132 eligible employees<sup>5</sup> in Germany, Poland and the United Kingdom. As indicated in Section 1.5 above, the maximum rate at which participating employees may purchase Shares under the ESPP may not exceed \$25,000 worth of Shares (based on the fair market value of Shares on the first trading day of the applicable Offering Period) per calendar year in which the right is both outstanding and exercisable. However, there are other limitations on Share purchases which may result in participating employees not being able to purchase \$25,000 worth of Shares in a calendar year.

Motorola Solutions' Offering Periods consist of six-month periods commencing on each on the first trading day on or after April 1 and October 1 of each year. Assuming that (i) the participating employees did not participate in the Offering Period beginning April 1, 2018, (ii) no other ESPP limitations are exceeded and (iii) the employees enroll in the Offering Period that begins in October 2018, each participating employee would be entitled to purchase a maximum of 212.45 Shares, including fractional Shares, in March 2019 for a maximum of \$21,250 in contributions per participating employee. These amounts are based on a hypothetical Share price of \$117.67 (which was the closing price of the Shares on August 3, 2018), on October 1, 2018 (i.e., the first trading day of the Offering Period, at which time the \$25,000 limit for the Offering Period beginning on such date will be calculated), and a hypothetical purchase price of

<sup>5</sup> As of July 12, 2018, there were approximately 356 eligible employees in Germany, 1,925 eligible employees in Poland and 851 eligible employees in the United Kingdom.

\$100.0195 (85% of \$117.67) on March 29, 2019 (i.e., the last trading day of the Offering Period beginning October 1, 2018).

The limitation for the calendar year is calculated by adding the fair market value of Shares purchased in the October 1, 2018 to March 31, 2019 offering to the fair market value of the Shares purchased during the April 2019 to September 2019 offering period. As a result, even if the participating employees have not exceeded this limitation during the October 1, 2018 through March 31, 2019 offering period, they will continue to be subject to this limitation during the April 1, 2019 to September 30, 2019 offering period. The number of Shares that the participating employees purchased in the October 1, 2018 through March 31, 2019 offering period will be aggregated with any Shares the participating employees purchase in the April 1, 2019 to September 30, 2019 offering and cannot exceed this limitation. Assuming that all of the participating employees would each purchase 212.45 Shares in the offer, the maximum number of Shares offered pursuant to this prospectus amounts to 665,393.40 Shares (rounded down for the purpose of the calculation below).

Assuming that the Shares offered under the ESPP pursuant to this prospectus to the 3,132 eligible employees in Germany, Poland and the United Kingdom would all be newly issued, the holdings of a shareholder of Motorola Solutions currently holding 1% of the total outstanding share capital of Motorola Solutions as of June 30, 2018, that is 1,622,668 Shares, and who is not an eligible employee participating in the offer, would be diluted as indicated in the following table:

	Percentage of the total outstanding Shares	Total number of outstanding Shares
Before the offering (as of June 30, 2018)	1.00%	162,266,801
After issuance of 665,393.40 Shares under the ESPP	0.996%	162,932,194.40

## 6.2 Net Proceeds

Assuming, using the example above that the 3,132 eligible employees in Germany, Poland and the United Kingdom would purchase the maximum amount of Shares under the ESPP offered pursuant to this prospectus, that is, a total of \$21,250 each, then the gross proceeds of Motorola Solutions in connection with the offer under the ESPP pursuant to this prospectus would be \$66,555,000. After deducting approximately \$75,000 in legal and accounting expenses in connection with the offer, the net proceeds would be approximately \$66,480,000. The net proceeds will be used for Motorola Solutions' general corporate purposes.

## VII. DIRECTORS AND EXECUTIVE OFFICERS

### 7.1 Board of Directors as of July 11, 2018

The ages and bios of the Board members officers are as of March 28, 2018.

<u>Name</u>	<u>Age</u>	<u>Director since</u>
Gregory Q. Brown	57	2007
Kenneth D. Denman	59	2017
Egon P. Durban	44	2015
Clayton M. Jones	68	2015

<u>Name</u>	<u>Age</u>	<u>Director since</u>
Judy C. Lewent	69	2011
Gregory K. Mondre	43	2015
Anne R. Pramaggiore	59	2013
Samuel C. Scott III	73	1993
Joseph M. Tucci	70	2017

**Gregory Q. Brown** joined the Company in 2003, was appointed as CEO of Motorola, Inc. in January 2008, and since May 2011 has been the Chairman and CEO of Motorola Solutions, Inc.

- *Other Public Company Boards:* Xerox Corporation. In the last five years Mr. Brown served on the board of Cisco Systems, Inc. from January 2013 to July 2014.
- *Director Qualifications:*
  - Public company CEO, relevant industry and technology experience as Chairman and CEO of the Company, and former CEO of Micromuse, Inc.
  - International and global business, developing markets, government, public policy and regulatory experience as Chairman and CEO of the Company, former chair and current board member of the Federal Reserve Bank of Chicago, former Vice Chair of the U.S. – China Business Council, former member of the President of the United States' Management Advisory Board
  - Government, public policy and regulatory experience as a member of the Board of Directors of the Business Roundtable and Chair of its Immigration Committee
  - Public company board experience

**Kenneth D. Denman** is a Venture Partner at Sway Ventures. He was the CEO and President of Emotient, Inc. from 2012 to 2016. He also served as the CEO of Openwave Systems Inc. from 2008 to 2011, as a Director from 2004 to 2011; and as the CEO and President and Director of iPass, Inc. from 2001 to 2008, as its Chairman from 2003 to 2008.

- *Other Public Company Boards:* Costco Wholesale Corporation, LendingClub Corporation, Mitek Solutions, Inc. In the last five years Mr. Denman served on the board of ShoreTel, Inc. from May 2007 to September 2017 and on the board of United Online from June 2015 to July 2016.
- *Director Qualifications:*
  - Public company CEO, financial and accounting expertise, international and global business, developing markets and managed and support services experience as CEO and President of iPass, Inc. and Openwave System, Inc.
  - Relevant industry, technology experience as CEO and President of Emotient, Inc., Openwave Systems, Inc. and iPass, Inc.
  - Private equity and investment management experience as a Venture Partner of Sway Ventures
  - Public company board experience

**Egon P. Durban** is a Managing Partner and Managing Director of Silver Lake, a global private equity firm. Mr. Durban joined Silver Lake in 1999 as a founding principal and is based in the firm's Menlo Park office. He has previously worked in the firm's New York office, as well as the London office, which he launched and managed from 2005 to 2010.

- *Other Public Company Boards:* Dell Technologies Inc., SecureWorks Corp, VMware, Inc. In the last 5 years Mr. Durban served on the board of Intelsat S.A from August 2011 to December 2016 and on the board of NXP Semiconductors N.V. from September 2006 to December 2013.
- *Director Qualifications:*

- Relevant industry, technology and international and global business experience as Managing Partner and Managing Director of Silver Lake
- Financial/accounting and private equity and investment banking experience as Managing Partner and Managing Director of Silver Lake and as a former associate with Morgan Stanley's Investment Banking Division
- Public company board experience

**Clayton M. Jones** served as Chairman of the Board of Rockwell Collins, Inc. from 2002 through July 2014, and CEO from June 2001 until his retirement in July 2013. Mr. Jones also served as President of Rockwell Collins and Corporate Officer and Senior Vice President of Rockwell International which he joined in 1979.

- *Other Public Company Boards:* Cardinal Health, Inc., Deere & Company. In the last five years, Mr. Jones served on the board of Rockwell Collins from March 2001 to July 2014.
- *Director Qualifications:*
  - Public company CEO, financial and accounting expertise, international and global business experience as former CEO of Rockwell Collins, Inc.
  - Relevant industry and technology experience as former CEO of Rockwell Collins, Inc., and Corporate Officer and Senior Vice President of Rockwell International
  - Government, public policy and regulatory experience as a member of The Business Council, and former member of the President's National Security Telecommunications Advisory Committee
  - Public company board experience

**Judy C. Lewent** served as Chief Financial Officer of Merck, a pharmaceutical company, from 1990 until her retirement in 2007.

- *Other Public Company Boards:* GlaxoSmithKline plc, Thermo Fisher Scientific, Inc. Ms. Lewent served on the board of directors of Motorola, Inc. from May 1995 to May 2010.
- *Director Qualifications:*
  - Public company CFO, financial and accounting expertise, and international and global business experience as the former CFO of Merck
  - Technology experience as a life member of the Massachusetts Institute of Technology
  - Developing markets as former CFO at Merck and board member of GlaxoSmithKline
  - Government/Public Policy/Regulatory as former CFO at Merck and board member of GlaxoSmithKline and Thermo Fisher
  - Public company board experience

**Gregory K. Mondre** joined Silver Lake in 1999 and is a Managing Partner and Managing Director of Silver Lake based in New York. Mr. Mondre was a principal at TPG, where he focused on private equity investments across a wide range of industries, with a particular focus on technology.

- *Other Public Company Boards:* GoDaddy, Inc., Sabre Corporation
- *Director Qualifications:*
  - Relevant industry, technology, international and global business experience as Managing Partner and Managing Director of Silver Lake
  - Financial/accounting and private equity and investment banking experience as Managing Partner and Managing Director of Silver Lake and as former principal at TPG
  - Public company board experience

**Anne R. Pramaggiore** has been the Senior Executive Vice President and CEO Exelon Utilities, Exelon Corporation since June 1, 2018. She has been a member of the board of directors of Commonwealth Edison Company ("ComEd"), an electric utility company and a business unit of Exelon Corporation, since February 2012, and served as the President and CEO of ComEd from February 2012 to June 2018. She served as ComEd's President and Chief Operating Officer from May 2009 until February 2012.

- *Other Public Company Boards:* The Babcock & Wilcox Company
- *Director Qualifications:*
  - Government, public policy and regulatory and technology experience as CEO of ComEd, Executive Vice President, Customer Operations, Regulatory and External Affairs of ComEd, and as a licensed attorney
  - International and global business experience as Chair of the Federal Reserve Bank of Chicago and board member of the Chicago Council on Global Affairs and The Chicago Urban League
  - Public company board experience

**Samuel C. Scott III** served as Chairman, President and CEO of Corn Products International, a corn refining business, from February 2001 until his retirement in May 2009.

- *Other Public Company Boards:* Abbott Laboratories, Bank of New York Mellon
- *Director Qualifications:*
  - Public company CEO experience as former chairman and CEO of Corn Products International, Inc.
  - International and global business and developing markets experience as former chairman and CEO of Corn Products International, Inc., a board member of the Chicago Council on Global Affairs, World Business Chicago, The Chicago Urban League, and Northwestern Medical Group, and as Chairman of Chicago Sister Cities International
  - Public company board experience

The Board and Mr. Scott have agreed that the term from May 2018 to May 2019 will be the last term Mr. Scott serves on the Board and Mr. Scott will not stand for re-election at the 2019 Annual Meeting. Mr. Scott's decision not to stand for re-election in 2019 was due to meeting the retirement age set forth in the Company's Board Governance Guidelines and not the result of any disagreement with the Company. Mr. Scott informed the Board of his support for the Company's management, Board, and the direction of the Company. Mr. Scott will continue to serve on the Board until its 2019 Annual Meeting of Stockholders.

**Joseph M. Tucci** is the Co-CEO and Co-Chairman of GTY Technology Holdings, Inc. Formerly, Mr. Tucci was the Chairman and CEO of EMC Corporation. He was EMC's Chairman from January 2006 and CEO from January 2001 until September 2016, when Dell Technologies acquired the company. At that time, he became an advisor to the acquiring company's founder, Michael Dell, and its board of directors.

- *Other Public Company Boards:* GTY Technology Holdings, Inc., Paychex, Inc. In the past five years Mr. Tucci served on the board of EMC Corporation from January 2001 to September 2016 and on the board of VMware, Inc. from April 2007 to September 2016.
- *Director Qualifications:*
  - Public company CEO, technology and global business experience as Chairman, CEO and President of EMC Corporation
  - Relevant industry, managed and support services, developing markets and private equity experience as Co-CEO and Co-Chairman of GTY Technology Holdings, Inc. and founding member and current Chairman of the Strategic Advisory Board of Bridge Growth Partners
  - Government, public policy and regulatory experience as a member of The Business Roundtable and Chair of its Task Force on Education and the Workforce and as a member of The Technology CEO Council
  - Public company board experience

## 7.2 Executive Officers as of July 11, 2018

The ages and bios of the executive officers are as of February 16, 2018.

<u>Name</u>	<u>Age</u>	<u>Position with the Company</u>
Gregory Q. Brown	57	Chairman and Chief Executive Officer
Gino A. Bonanotte	53	Executive Vice President and Chief Financial Officer
Bruce W. Brda	55	Executive Vice President, Products and Solutions
Mark S. Hacker	46	Executive Vice President, General Counsel and Chief Administrative Officer
John P. "Jack" Molloy	46	Executive Vice President, Worldwide Sales and Services
John K. Wozniak	46	Corporate Vice President and Chief Accounting Officer

**Gregory Q. Brown;** Chairman and CEO since May 3, 2011.

**Gino A. Bonanotte;** Executive Vice President and Chief Financial Officer since November 13, 2013; Corporate Vice President and Acting Chief Financial Officer from August 2013 to November 2013; and Corporate Vice President, Finance, Sales and Field Operations, from October 2012 to August 2013.

**Bruce W. Brda;** Executive Vice President, Products and Solutions since July 24, 2017; Executive Vice President, Products & Services from January 2016 to July 2017; Executive Vice President, Systems & Products from May 2015 to January 2016; Senior Vice President, Systems & Products from December 2014 to May 2015; Senior Vice President, Government Solutions from March 2014 to December 2014; and Senior Vice President, Global Solutions & Services from January 2013 to March 2014.

**Mark S. Hacker;** Executive Vice President, General Counsel and Chief Administrative Officer since January 21, 2015; Senior Vice President and General Counsel from June 2013 to January 2015; and Corporate Vice President, Law, Sales and Product Operations, International and Legal Operations from January 2013 to June 2013.

**John P. "Jack" Molloy;** Executive Vice President, Worldwide Sales and Services since July 24, 2017; Executive Vice President, Worldwide Sales from January 2016 to July 2017; Executive Vice President, Americas Sales & Services from November 2015 to January 2016; Senior Vice President, The Americas Sales & Marketing from September 2015 to November 2015; Senior Vice President, North America Sales from January 2014 to August 2015; Corporate Vice President, Central US & Canada and NA Energy Market from January 2013 to December 2013.

**John K. Wozniak;** Corporate Vice President and Chief Accounting Officer since November 3, 2009.

## 7.3 Fraudulent Offences and Bankruptcy, Etc.

For at least the previous five years, none of the directors or executive officers of Motorola Solutions has:

- (a) been convicted in relation to fraudulent offences;
- (b) been associated with any bankruptcies, receiverships or liquidations when acting in their capacity of directors or executive officers of Motorola Solutions; or
- (c) been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

There is no family relationship between any of the executive officers and directors listed above.

#### **7.4 Conflicts of Interest**

##### ***Independent Directors***

On March 8, 2018, the Board made the determination, based on the recommendation of the Governance and Nominating Committee and in accordance with our Director Independence Guidelines, that the former non-employee directors, Mr. Dahlberg and General Hayden, and the current non-employee directors, Mr. Denman, Mr. Durban, Mr. Jones, Ms. Lewent, Mr. Mondre, Ms. Pramaggiore, Mr. Scott and Mr. Tucci, were independent during the periods in 2017 and 2018 that they were members of the Board. Mr. Brown does not qualify as an independent director because he is the CEO of the Company. See Motorola Solutions' Relationship with Entities Associated with Independent Directors for further details.

##### **Determining Independence**

The Director Independence Guidelines include both the NYSE independence standards and additional independence standards the Board has adopted to determine if a relationship that a Board member has with the Company is material. We have adopted a stricter application of the NYSE independence standards requiring a look-back of four years when assessing independence in connection with a director's (i) status as an employee of the Company, (ii) direct compensation in excess of \$120,000, (iii) relationship with our internal or external auditor, and (iv) employment with a company that has made payments to, or received payments from, the Company for property or services.

A complete copy of the Director Independence Guidelines is available on the Company's website at [www.motorolasolutions.com/investors](http://www.motorolasolutions.com/investors).

##### **Motorola Solutions' Relationship with Entities Associated with Independent Directors**

When assessing independence, each of Ms. Pramaggiore and Mr. Scott, had relationships with entities that were reviewed by the Board under independence standards covering contributions or payments to charitable or similar not-for-profit organizations. In addition, each of Mr. Dahlberg, Mr. Denman, Mr. Durban, General Hayden, Mr. Mondre, Ms. Pramaggiore, Mr. Scott, and Mr. Tucci had relationships with entities that were reviewed by the Board under independence standards covering payments to, or received from, other entities. In each case, the payments or contributions were significantly less than the NYSE independence standards or the Director Independence Guidelines adopted by the Board, or did not constitute a disqualifying event under such standards and were determined by the Board to be immaterial.

##### **Independent Members of the Audit, Compensation and Leadership and Governance and Nominating Committees**

The Board has determined that all of the current members of the Audit Committee, the Compensation and Leadership Committee and the Governance and Nominating Committee are independent within the meaning of the Director Independence Guidelines, applicable rules of the SEC and the NYSE listing standards for independence.

##### ***Related Person Transaction Policy and Procedures***

The Company has established a written related person transaction policy and procedures (the "RPT Policy") to assist it in reviewing transactions in excess of \$120,000 ("Transactions") involving the Company and its subsidiaries and Related Persons (as defined below). The RPT Policy supplements our other conflict of interest policies set forth in the Principles of Conduct for Members of the Motorola Solutions, Inc. Board of Directors and the Code of Business Conduct for employees and our other internal procedures.

For purposes of the RPT Policy, a Related Person includes directors, director nominees and executive officers of the Company since the beginning of the Company's last fiscal year, beneficial owners of 5% or more of any class of voting securities of the Company and members of their respective immediate family. The Governance and Nominating Committee reviews all RPT Policy matters.

The RPT Policy provides that any Transaction since the beginning of the last fiscal year is to be promptly reported to the Company's Secretary. The Secretary will assist with gathering important information about the Transaction and present the information to the Governance and Nominating Committee. The Governance and Nominating Committee will determine whether the Transaction is a Related Person Transaction and, if so, approve, ratify or reject the Related Person Transaction. In approving, ratifying or rejecting a Related Person Transaction, the Governance and Nominating Committee will consider such information as it deems important to conclude if the transaction is fair to the Company and its subsidiaries.

Motorola Solutions had no Related Person Transactions in 2017.

### ***Employment Contracts***

#### ***Employment Agreement with Gregory Q. Brown***

On August 27, 2008, the Company entered into an employment agreement (the "original employment agreement") with Gregory Q. Brown, then the Co-CEO of the Company and Chief Executive of the Company's Broadband Mobility Solutions business and a member of the Board. The original employment agreement memorialized Mr. Brown's existing base salary of \$1,200,000, an annual bonus target of not less than 220% of salary, a long-range incentive award target of not less than 350% of base salary for 2008 and 250% thereafter, and a 2008 special bonus target. The original employment agreement had an initial three-year term, with automatic one-year renewals absent a notice of non-renewal. As previously disclosed on December 17, 2008, Mr. Brown voluntarily decided to forego any 2008 annual or special bonus under the Motorola Incentive Plan. The original employment agreement was amended on December 15, 2008, May 28, 2010 and March 10, 2014 (the original employment agreement, together with the amendments, are collectively referred to as the "employment agreement").

In the event of Mr. Brown's termination of employment "without cause" or by Mr. Brown for "good reason," Mr. Brown is entitled to: (1) accrued and unpaid obligations (including base salary, vacation pay and undistributed bonuses); (2) a lump sum severance payment equal to two times (prior to a change in control) or three times (on or after a change in control) the sum of his base salary and target annual bonus; (3) a pro rata annual bonus based on actual performance during the year in which termination occurs; (4) two years (prior to a change in control) or three years (following a change in control) of medical insurance continuation; and (5) two years' continued vesting of all outstanding equity awards (prior to a change in control) or accelerated vesting of all equity awards (following a change in control). In the event the Company terminates Mr. Brown's employment for "cause" or Mr. Brown terminates employment without "good reason," he is entitled only to accrued and unpaid base salary and vacation pay. In the event of a termination of employment due to death or disability, Mr. Brown is entitled to accrued and unpaid obligations (including base salary, vacation pay and undistributed bonuses) and vesting of all then unvested equity awards that are outstanding at the date of termination.

"Good reason" for Mr. Brown to terminate his employment and receive the above generally includes: (1) a reduction in salary, bonus targets, or benefits; (2) a failure to continue on the Board or negative change in reporting structure; (3) a relocation of employment beyond 50 miles of Schaumburg, Illinois; (4) the failure of the successor to what is now Motorola Solutions to assume the employment agreement; or (5) any other breach of the employment agreement.

During his employment term, Mr. Brown is eligible to participate in the health and welfare plan, perquisites, fringe benefits and other arrangements generally available to other senior executives; Mr. Brown is required to use the Company's aircraft, if any, or Company arranged charter aircraft, for business and personal travel pursuant to the Company's security policy. Mr. Brown is not covered by the

Company's change in control severance plans. Previously, Mr. Brown was entitled to a gross up for excise taxes on excess parachute payments, subject to a 10% "cut-back" (in other words, change in control payments will be reduced below the Code Section 280G safe harbor if the total payments are less than 10% in excess of the Code Section 280G safe harbor). However, Mr. Brown's employment agreement was amended on March 10, 2014 to remove the gross-up for excise taxes and to reduce the minimum annual bonus target to 150% effective in 2014.

Mr. Brown's employment agreement contains customary restrictive covenants, including perpetual confidentiality obligations and employee non-solicitation and business non-compete provisions relating to the Company that apply during the employment period and the two-year period following termination of employment.

### ***Termination of Employment and Change in Control Arrangements***

#### ***Change in Control Arrangements***

The Company's 2011 Senior Officer Change in Control Severance Plan (the "CIC Severance Plan") is applicable to the named executive officers ("NEOs") listed on page 20 of the Definitive Proxy Statement filed with the SEC on March 28, 2018 ("Motorola Solutions' Proxy Statement"), other than Mr. Brown, as well as all officers who are at or above the level of Senior Vice President ("Senior Officers").

<b>CIC Provision</b>	<b>CIC Severance Plan</b>
Eligibility	All existing or newly elected or promoted executives with the following titles: <ul style="list-style-type: none"> <li>• Executive Vice Presidents</li> <li>• Senior Vice Presidents</li> </ul>
CIC Cash Severance Multiple	Two times current base salary and current target annual bonus
Medical Benefit Continuation	Two years
Excise Tax Gross-Up	None. In the event change in control benefits are subject to the excise tax under Section 4999 of the Code, either the participant will pay the excise taxes or the benefits will be cut back to an amount that eliminates imposition of the excise taxes, whichever option is more favorable to the participant on an after-tax basis.
Advance Notification to Participant of Plan Amendment	One year

In particular, under the CIC Severance Plan:

- each participant is generally entitled to receive severance benefits if the participant terminates employment with the Company within two years subsequent to a Change in Control of the Company for "Good Reason"; or if the participant's employment with the Company is involuntarily terminated within two years subsequent to a Change in Control of the Company for any reason other than termination for "Cause," "Disability" or death; or in the event of an anticipatory termination in connection with a Change in Control of the Company;
- qualifying participants are entitled to receive a lump sum in cash (with limited exceptions) equal to their unpaid salary for accrued vacation days, accrued salary through the termination date and unpaid annual incentive or sales incentive bonuses for the preceding year;
- qualifying participants are also entitled to receive a lump sum in cash equal to two times the participant's base salary in effect on the termination date plus two times the participant's target annual bonus or sales incentive bonus for the year in which termination occurs;
- qualifying participants will also receive a pro rata target annual or sales incentive for the performance period (year, quarter or month) in which the termination occurs;

- payments may be made at different times or in different formats depending on the application of Section 409A of the Code;
- qualifying participants will also receive continued medical, dental and life insurance benefits for up to two years at the active employee premium rate, and two years of age and service credit for retiree medical eligibility; and
- in the event a qualifying participant is subject to the excise tax under Section 4999 of the Code, either (a) the participant will pay all applicable Section 4999 excise taxes with respect to severance benefits (if such taxes apply) or (b) the severance benefits will be cut back to an amount that will not be subject to Section 4999 excise taxes, whichever option is more favorable to the participant on an after-tax basis.

If a Change in Control occurs during the term, the CIC Severance Plan continues for at least an additional two years from the Change in Control. The CIC Severance Plan may not be amended or terminated in a manner adverse to participants except upon one year's advance written notice.

In addition to plans covering all of the Company's Senior Officers, there are Change in Control protections for the general employee population under the Motorola Solutions, Inc. Involuntary Severance Plan.

Also, except as otherwise determined by the Compensation and Leadership Committee at the time of the grant of an award, under the Omnibus Plan, upon a Change in Control of the Company and a qualifying termination (known as a "double trigger"), all equity-based awards granted to employees, including our NEOs, become fully vested and exercisable; all performance goals are deemed achieved at target levels and all other terms and conditions are deemed met; all performance stock would be delivered as promptly as practicable; all performance units, RSUs and other units would be paid out as promptly as practicable; all annual short-term incentive awards would be paid out at target levels and all other terms and conditions deemed met; and all other stock or cash awards would be delivered and paid. The value of this potential acceleration of awards is the same as the value disclosed for the LRIP, stock options and stock appreciation rights ("SARs"), and RSUs under the Involuntary Termination Change in Control columns of the Termination and Change in Control Table for 2017. A qualifying termination includes an NEO who is involuntarily terminated (for a reason other than "Cause") or quits for "Good Reason" within 24 months following the Change in Control. This treatment also applies for any awards that are assumed or replaced by the successor corporation (or parent thereof) if these awards preserve the value of existing awards at the time of the Change in Control and provide for subsequent payout in accordance with the same vesting schedule applicable to the original awards. With respect to any awards that are not assumed or replaced, such awards shall immediately vest.

#### Executive Severance Plan

The Company has maintained an executive severance plan for all U.S. based elected officers and appointed vice presidents since October 1, 2008. On January 24, 2011, the Compensation and Leadership Committee approved and adopted the Company's 2011 Executive Severance Plan (the "Executive Severance Plan"). The Executive Severance Plan is applicable to the NEOs, other than Mr. Brown, and is the Company's severance plan for officers of the Company at or above the level of Vice President ("Vice Presidents"), with additional eligibility for certain participants as set forth therein.

Executive Severance Provision	Executive Severance Plan
Eligibility	Existing or newly elected or promoted executives in the United States with the following titles: <ul style="list-style-type: none"> <li>• Executive Vice Presidents</li> <li>• Senior Vice Presidents</li> <li>• Corporate Vice Presidents</li> <li>• Appointed Vice Presidents</li> </ul>

Executive Severance Provision	Executive Severance Plan
Qualifying Event	Executive must have a qualifying termination and such termination of employment constitutes a separation from service within the meaning of Section 409A of the Code, with execution of a general release
Severance Amount	<ul style="list-style-type: none"> <li>• Appointed Vice President – 9 months base salary</li> <li>• Corporate Vice President and above – 12 months base salary</li> </ul>
Definition of Severance Bonus	Pro rata STIP or AIP, as applicable, award based on actual business results for the year in which separation occurred and with an individual performance factor of 1.0, if applicable.
Medical Benefit Continuation	<ul style="list-style-type: none"> <li>• Appointed Vice President – 9 months medical plan coverage</li> <li>• Corporate Vice President and above – 12 months medical plan coverage</li> </ul>
Outplacement Services	Up to 12 months outplacement services or a cash payment in lieu of such services
Financial Planning	Appointed Vice President and above – 12 months or April 30 of calendar year following year of separation
Advance Notification To Participant of Plan Amendment	One year

In particular, under the Executive Severance Plan:

- each participant is generally entitled to receive severance benefits if the participant's employment is terminated by the Company other than: (a) for total and permanent disability; (b) for "Cause"; (c) due to death; (d) if the participant accepts employment with another company in connection with a sale, lease, exchange, outsourcing arrangement or other asset transfer or transfer of any portion of a facility or all or any portion of a discrete organizational unit or business segment of the Company (or is offered employment under such circumstances with certain compensation and benefits that are comparable to those provided by the Company when new employment would become effective); (e) if the termination of employment is followed by immediate or continued employment by the Company or an affiliate or subsidiary; or (f) if the participant terminates voluntarily for any reason;
- qualifying participants who execute a prescribed release of claims, are not in breach of any covenants or other agreements with the Company and comply with non-disparagement, confidentiality and other applicable covenants, are entitled to receive, in addition to accrued salary through the separation date, 12 months (or nine months in the case of appointed vice presidents) of base salary continuation and a pro rata annual bonus or pro rata sales incentive, whichever is applicable, for the performance period (year, month or quarter, as applicable) in which separation occurs;
- qualifying participants would receive (a) 12 months (nine months in the case of appointed vice presidents) of continued medical plan coverage at the active employee premium rate, (b) up to 12 months of outplacement services, or cash in-lieu thereof not to exceed the cost of such outplacement services, and (c) a minimum of 12 months of financial planning services;
- any severance pay and benefits paid under the Executive Severance Plan are to be offset against any severance pay and benefits payable under the applicable Change in Control plan and/or other individual severance arrangements;
- if a qualified participant receives a pro rata annual bonus or pro rata sales incentive under the Executive Severance Plan, the participant is not to receive an annual bonus or sales incentive under any applicable plan for the same performance period; and
- the Compensation and Leadership Committee, or in some circumstances its delegate, may, in its sole discretion, reduce, eliminate or otherwise adjust the amount of a qualifying participant's severance pay and benefits, including any bonus or incentive.

If a Change in Control occurs, the Executive Severance Plan continues for at least an additional two years after the Change in Control. The Executive Severance Plan may not be amended or terminated in a manner adverse to participants or potential participants except upon one year's advance written notice or qualifying participants' written consent.

#### Termination and Change in Control Tables for 2017

The tables included on pages 47 - 50 of Motorola Solutions' Proxy Statement outline the potential payments to our NEOs upon the occurrence of certain termination triggering events. Standard definitions for the various types of terminations follow the tables (on page 51 of Motorola Solutions' Proxy Statement), although exact definitions may vary by agreement and by person.

As required, the amounts included in such tables reflect theoretical potential payouts based on the assumption that the applicable triggering event occurred on December 31, 2017. For each NEO, the columns included reflect the triggering events that were theoretically possible on December 31, 2017.

## VIII. EMPLOYEES

### 8.1 Security Ownership Information of Management and Directors

The following table sets forth information as of the close of business on March 12, 2018 regarding the beneficial ownership of the Shares by each director, the NEOs, and all current directors and executive officers of the Company as a group. Except for Mr. Brown, who owns 1.9% of the outstanding Common Stock, each other director and NEO owns less than 1% of the outstanding Common Stock based on 165,456,313 Shares on a fully-diluted basis outstanding on March 12, 2018. All current directors, NEOs and executive officers as a group own 2.2% of the outstanding Common Stock. Except as noted otherwise, the address of each person named in the table below is c/o Motorola Solutions, Inc., 500 West Monroe, Chicago, Illinois 60661, USA.

Name	Shares Owned <sup>(1)</sup>	Shares Under Exercisable Options and SARs <sup>(2)</sup>	Stock Units <sup>(3)</sup>	Total Shares Beneficially Owned <sup>(4)(5)</sup>
<b>Gregory Q. Brown</b>	348,571 <sup>(6)</sup>	2,789,991	34,385	3,172,947
<b>Gino A. Bonanotte</b>	33,262	147,362	0	180,624
<b>John P. Molloy</b>	18,037	2,558	487	21,082
<b>Bruce W. Brda</b>	13,548	4,145	0	17,693
<b>Mark S. Hacker</b>	14,232	94,152	0	108,384
<b>Kenneth D. Denman</b>	447	0	2,308	2,755
<b>Egon P. Durban</b>	0	0	9,087	9,087
<b>Clayton M. Jones</b>	0	0	6,840	6,840
<b>Judy C. Lewent</b>	25,014	0	6,497	31,511
<b>Gregory K. Mondre</b>	70	0	9,145	9,215
<b>Anne R. Pramaggiore</b>	0	0	16,428	16,428
<b>Samuel C. Scott</b>	5,175 <sup>(7)</sup>	0	37,309	42,484
<b>Joseph M. Tucci</b>	1,440	0	2,307	3,747
<b>All current directors, NEOs and executive officers as a group (13 persons)</b>	459,796	3,038,208	124,793	3,622,797

(1) Includes Shares over which the person currently holds or shares voting and/or investment power but excludes the Shares listed under "Shares Under Exercisable Options and SARs" and "Stock Units."

(2) Includes Shares under options and SARs exercisable on March 12, 2018 and which may become exercisable within 60 days thereafter (assuming all performance measures are satisfied).

- (3) Includes stock units which are deemed to be beneficially owned on March 12, 2018 or within 60 days thereafter (assuming all performance measures are satisfied). Stock units are not deemed beneficially owned until the restrictions on the units have lapsed. Each stock unit is intended to be the economic equivalent of one Share.
- (4) Unless otherwise indicated, each person has sole voting and investment power over the Shares reported.
- (5) Includes the Shares listed under "Shares Under Exercisable Options" and units listed under "Stock Units."
- (6) Mr. Brown has shared voting and investment power over 83,220 Shares, included under "Total Shares Beneficially Owned". He disclaims beneficial ownership over 81,000 Shares held in a trust of which his wife is trustee and 2,220 Shares held by his wife, except to the extent of his pecuniary interest in these Shares.
- (7) Mr. Scott does not have investment power over 2,179 of these Shares.

No directors, nominees or current executive officers have pledged Shares pursuant to any loan or arrangement.

## 8.2 Stock Plans

The Company grants options and SARs to acquire Shares to certain employees and to existing option holders of acquired companies in connection with the merging of option plans following an acquisition. Each option granted and SAR has an exercise price of no less than 100% of the fair market value of the Shares on the date of the grant. The awards have a contractual life of five to ten years and vest over two to three years. In conjunction with a change in control, stock options and SARs assumed or replaced with comparable stock options or SARs only become exercisable if the holder is also involuntarily terminated (for a reason other than cause) or resigns for good reason within 24 months of a change in control.

RSU grants consist of Shares or the rights to Shares which are awarded to certain employees and non-employee directors. The grants are restricted such that they are subject to substantial risk of forfeiture and to restrictions on their sale or other transfer by the employee. In conjunction with a change in control, shares of RSUs assumed or replaced with comparable shares of RSUs will only have the restrictions lapse if the holder is also involuntarily terminated (for a reason other than cause) or resigns for good reason within 24 months of a change in control.

Performance-based stock options ("performance options") and market stock units ("MSUs") have been granted to certain Company executive officers. Performance options have a three-year performance period and are granted as a target number of units subject to adjustment based on company performance. Each performance option granted has an exercise price of no less than 100% of the fair market value of the Shares on the date of the grant. The awards have a contractual life of ten years. Shares ultimately issued for performance option awards granted are based on the actual total shareholder return ("TSR") compared to the S&P 500 over the three year performance period based on a payout factor that corresponds to actual TSR results as established at the date of grant. Vesting occurs on the third anniversary of the grant date. Under the terms of the MSUs, vesting is conditioned upon continuous employment until the vesting date and the payout factor is at least 60% of the Share price on the award date. The payout factor is the Share price on vesting date divided by share price on award date, with a maximum of 200%. The share price used in the payout factor is calculated using an average of the closing prices on the grant or vesting date, and the 30 calendar days immediately preceding the grant or vesting date. Vesting occurs ratably over three years.

On August 25, 2015, in conjunction with the issuance of the Senior Convertible Notes, and on March 9, 2017, the Company approved grants of performance-contingent stock options ("PCSOs") to certain executive officers. The PCSOs vest upon satisfaction of the following stock price hurdles which must be maintained for 10-consecutive trading days within the performance period ending August 25, 2018 and continuous employment over the vesting period. For PCSOs granted on August 25, 2015, 20% of the total award will vest at an \$85 stock price, an additional 30% of the total award will vest at a \$102.50 stock price, and the final 50% of the total award will vest at a \$120 stock price. For options granted March 9, 2017, 44% of the total award will vest at an \$85 stock price, an additional 24% of the total award will vest at a \$102.50 stock price, and the 32% of the award will vest at a \$120 stock price. If any stock price hurdles are not met during the performance period, the corresponding portion of the options will not vest

and will be forfeited. The August 25, 2015 awards have a seven-year term and a per share exercise price of \$68.50. The March 9, 2017 awards have a five and a half year term and a per share exercise price of \$81.37.

The ESPP allows eligible participants to purchase Shares through payroll deductions of up to 20% of eligible compensation on an after-tax basis. Plan participants cannot purchase more than \$25,000 of Shares in any calendar year. The price an employee pays per Share is 85% of the lower of the fair market value of the Shares on the close of the first trading day or last trading day of the purchase period. The ESPP has two purchase periods, the first from October 1 through March 31 and the second from April 1 through September 30. For the years ended December 31, 2017, 2016 and 2015, employees purchased 0.8 million, 0.9 million and 1.0 million Shares, respectively, at purchase prices of \$63.96 and \$72.11, \$57.60 and \$64.69, and \$52.99 and \$56.67, respectively.

### Current Year Activity

Total share-based compensation activity was as follows (in thousands, except exercise price):

Shares Outstanding in Thousands	Stock Options		Performance Options*		RSUs		Market Stock Units	
	No. of Options Outstanding	Wtd. Avg. Exercise Price of Shares	No. of Options Outstanding	Wtd. Avg. Exercise Price of Shares	No. of Non- Vested Awards	Wtd. Avg. Grant Date Fair Value	No. of Non- Vested Awards	Wtd. Avg. Grant Date Fair Value
Balance as of January 1, 2017	5,218	\$ 50	2,066	\$ 69	1,333	\$ 63	116	\$ 69
Granted	385	82	612	81	650	78	71	86
Releases/Exercised	(935)	53	—	—	(656)	64	(54)	68
Adjustment for payout factor	—	—	—	—	—	—	6	69
Forfeited/Canceled	(64)	76	—	—	(70)	71	—	—
Balance as of December 31, 2017	<u>4,604</u>	<u>\$ 52</u>	<u>2,678</u>	<u>\$ 72</u>	<u>1,257</u>	<u>\$ 70</u>	<u>139</u>	<u>\$ 78</u>
Vested or expected to vest	4,283	48	464	73	519	64	79	65

\* Inclusive of PCSO awards

At December 31, 2017 and 2016, 9.6 million and 11.2 million Shares, respectively, were available for future share-based award grants under the current share-based compensation plan, covering all equity awards to employees and non-employee directors.

### Motorola Solutions Incentive Plans

The Company's incentive plans provide eligible employees with an annual payment, calculated as a percentage of an employee's eligible earnings, in the year after the close of the current calendar year if specified business goals and individual performance targets are met. The expense for awards under these incentive plans for the years ended December 31, 2017, 2016 and 2015 was \$122 million, \$114 million and \$119 million, respectively.

### Long-Range Incentive Plan

The Long-Range Incentive Plan ("LRIP") rewards elected officers for the Company's achievement of specified business goals during the period, based on a single performance objective measured over a three-year period. The expense for LRIP for the years ended December 31, 2017, 2016 and 2015 was \$9 million, \$12 million and \$12 million, respectively.

**IX. WORKING CAPITAL STATEMENT**

The Company believes that it has adequate internal resources available to fund expected working capital and capital expenditure requirements (including debt service) for the next twelve months as supported by the level of cash and cash equivalents in the U.S., the ability to repatriate funds from foreign jurisdictions, cash provided by operations, as well as liquidity provided by its 2017 Motorola Solutions Credit Agreement.<sup>6</sup>

**X. SELECTED FINANCIAL INFORMATION****10.1 Selected Financial Data**

The selected financial data of Motorola Solutions set out in this prospectus have been derived in part from Motorola Solutions' consolidated financial statements prepared in accordance with U.S. GAAP and should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and Motorola Solutions' consolidated financial statements and notes thereto appearing respectively on pages 25 – 41 and 45 – 88 of Motorola Solutions' Form 10-K, and its condensed consolidated financial statements and related notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations appearing respectively on pages 1 – 29 and 30 – 41 of Second Quarter 10-Q.

**SELECTED THREE-YEAR FINANCIAL DATA**

<i>(In millions, except per share amounts)</i>	<i>Years Ended December 31</i>		
	<b>2017</b>	2016	2015
<b>Operating Results</b>			
Net sales	<b>\$ 6,380</b>	\$ 6,038	\$ 5,695
Operating earnings	<b>1,282</b>	1,067	994
Earnings (loss) from continuing operations, net of tax*	<b>(155)</b>	560	640
<b>Per Share Data (in dollars)</b>			
Diluted earnings (loss) from continuing operations per common share*	<b>\$ (0.95)</b>	\$ 3.24	\$ 3.17
Earnings (loss) per diluted common share*	<b>(0.95)</b>	3.24	3.02
Diluted weighted average common shares outstanding (in millions)	<b>162.9</b>	173.1	201.8
Dividends declared per share	<b>\$ 1.93</b>	\$ 1.70	\$ 1.43
<b>Balance Sheet</b>			
Total assets	<b>\$ 8,208</b>	\$ 8,463	\$ 8,346
Total debt	<b>4,471</b>	4,396	4,349
Total stockholders' deficit	<b>(1,727)</b>	(952)	(96)
<b>Other Data</b>			
Capital expenditures	<b>\$ 227</b>	\$ 271	\$ 175
% of sales	<b>3.6%</b>	4.5%	3.1%

<sup>6</sup> As of June 30, 2018, the Company had a \$2.2 billion syndicated, unsecured revolving credit facility scheduled to mature in April 2022 (the "2017 Motorola Solutions Credit Agreement"). The 2017 Motorola Solutions Credit Agreement includes a \$500 million letter of credit sub-limit with \$450 million of fronting commitments. Borrowings under the facility bear interest at the prime rate plus the applicable margin, or at a spread above the London Interbank Offered Rate, at the Company's option. An annual facility fee is payable on the undrawn amount of the credit line. The interest rate and facility fee are subject to adjustment if the Company's credit rating changes. The Company must comply with certain customary covenants including a maximum leverage ratio, as defined in the 2017 Motorola Solutions Credit Agreement.

<i>(In millions, except per share amounts)</i>	Years Ended December 31		
	2017	2016	2015
Research and development expenditures	\$ 568	\$ 553	\$ 620
% of sales	8.9%	9.2%	10.9%

\* Amounts attributable to Motorola Solutions, Inc. common shareholders.

## SELECTED QUARTERLY FINANCIAL DATA (Unaudited)

### Condensed Consolidated Statements of Operations Data

<i>(In millions, except per share amounts)</i>	Three Months Ended		Six Months Ended	
	June 30, 2018	July 1, 2017	June 30, 2018	July 1, 2017
Net sales	1,760	1,497	3,227	2,777
Operating earnings	273	261	445	433
Net earnings before income taxes	227	205	367	324
Net earnings	181	132	298	210
<i>Earnings per common share:</i>				
Basic	\$ 1.11	\$ 0.80	\$ 1.83	\$ 1.27
Diluted	\$ 1.05	\$ 0.78	\$ 1.73	\$ 1.23
<i>Weighted average common shares outstanding:</i>				
Basic	162.2	163.1	161.7	163.7
Diluted	171.7	169.0	171.1	169.5
Dividends declared per share	\$ 0.52	\$ 0.47	\$ 1.04	\$ 0.94

### Condensed Consolidated Balance Sheets Data

<i>(In millions)</i>	June 30, 2018	December 31, 2017 <sup>(1)</sup>
Total assets	\$ 8,881	\$ 8,208
Total debt	\$ 5,645	\$ 4,471
Total stockholders' deficit	\$ (1,492)	\$ (1,727) <sup>(2)</sup>

(1) Derived from audited consolidated balance sheets.

(2) The stockholders' deficit is primarily the result of the Company's share repurchase program. Through a series of actions, the Board has authorized the Company to repurchase in the aggregate up to \$14.0 billion of its outstanding Shares (the "share repurchase program"). The share repurchase program does not have an expiration date. As of June 30, 2018, the Company had used approximately \$12.4 billion of the share repurchase authority, including transaction costs, to repurchase Shares, leaving \$1.6 billion of authority available for future repurchases.

## 10.2 Independent Registered Public Accounting Firm

The independent registered public accounting firm of Motorola Solutions is KPMG LLP, Chicago, Illinois, U.S.A. KPMG LLP is registered with the Public Company Accounting Oversight Board (United States) and a member of the American Institute of Certified Public Accountants.

On May 14, 2018, the Audit Committee of the Board appointed PricewaterhouseCoopers LLP ("PwC") as its new independent registered public accounting firm, contingent upon completion of PwC's acceptance procedures. PwC's appointment will be for the Company's fiscal year ending December 31, 2019, and related interim periods. In conjunction with this appointment, the Company dismissed KPMG LLP as its

independent registered public accounting firm effective upon the issuance by KPMG LLP of their reports on the consolidated financial statements as of and for the year ended December 31, 2018 and the effectiveness of internal control over financial reporting as of December 31, 2018.

## **XI. DOCUMENTS ON DISPLAY**

Motorola Solutions makes available free of charge through its website, [www.motorolasolutions.com/investors](http://www.motorolasolutions.com/investors), its annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements, other reports filed under the Exchange Act and all amendments to those reports simultaneously or as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. Motorola Solutions' reports are also available free of charge on the SEC's website, [www.sec.gov](http://www.sec.gov). Also available free of charge on Motorola Solutions' website are other corporate governance documents. All of Motorola Solutions' reports and corporate governance documents may also be obtained without charge by contacting Investor Relations, Motorola Solutions, Inc., Corporate Offices, 500 W. Monroe Street, Chicago, IL 60661, E-mail: [investors@motorolasolutions.com](mailto:investors@motorolasolutions.com). Motorola Solutions' Internet website and the information contained therein or incorporated therein are not intended to be incorporated into this prospectus.

Motorola Solutions' Form 10-K, Motorola Solutions' First Quarter 10-Q, Motorola Solutions' Second Quarter 10-Q and Motorola Solutions' Proxy Statement, referred to in this prospectus, may be obtained free of charge upon request by an employee.

Motorola Solutions expects to issue after the market closes on or about November 1, 2018, its earnings release for the quarter ended September 29, 2018. The quarterly report on Form 10-Q for such quarter will be filed with the SEC no later than November 9, 2018. The annual report on Form 10-K for the fiscal year ending December 31, 2018 will be filed with the SEC no later than March 1, 2019. These documents will be available on the websites of Motorola Solutions and the SEC indicated above.

## **XII. TAX CONSEQUENCES**

### **12.1 Tax Consequences – Germany**

The following summaries are based on the tax laws in effect in Germany as of the date of this prospectus.

Tax laws are complex and can change frequently. As a result, the information below may be out of date at the time you are granted a right to acquire Shares under the ESPP, at the time you acquire Shares under the ESPP, at the time you receive dividends on the Shares, or at the time you sell such Shares.

Further, the summaries set forth below may not apply to your particular tax or financial situation, and Motorola Solutions is not in a position to assure you of any particular tax result. *Accordingly, you are strongly advised to seek appropriate professional advice as to how the tax or other laws in your country apply to your specific situation.*

If you are a citizen or resident of another country (or are considered as such for local law purposes) or if you transfer employment or residence to another country after you enroll in the ESPP, the information set forth in the summaries below may not be applicable to you.

### **Enrollment in the ESPP**

You will not be subject to taxation upon enrollment in the ESPP or when a new Offering Period begins.

## Purchase of Shares

When Shares are purchased for you under the ESPP, you will be subject to income tax at your personal income tax rate, plus solidarity surcharge and church tax (if applicable) on the income tax owed. According to the official position of German tax authorities, the taxable amount will be the difference between the fair market value of the Shares on the purchase date and the purchase price of the Shares (*i.e.*, the "discount"). You will also be subject to social security contributions on the discount to the extent that your income has not yet exceeded the applicable income ceilings. A tax exemption of up to €360 per calendar year may be available pursuant to Section 3 No. 39 of the German Income Tax Act provided certain conditions are met. You should consult with your personal tax advisor to see if you qualify for the exemption.

## Dividends

You will be subject to tax at a flat rate (plus solidarity surcharge and church tax, if applicable, on the flat rate tax) on any dividends paid on the Shares you acquire under the ESPP to the extent that the amount of dividends received (when combined with all other investment income, including income from the sale of Shares) exceeds the annual exempt amount of €801 (€1,602 for married couples and for partners within the meaning of the registered partnership law (*Gesetz über die Eingetragene Lebenspartnerschaft*) filing jointly). You will be responsible for declaring any dividends you receive with respect to the Shares and paying applicable taxes due on such income (unless your Shares are held by a German financial institution in a custodial account at the time the dividend payment is made and the German financial institution withholds the applicable taxes due on the dividend income). If the flat tax rate exceeds your personal income tax rate, you may elect an assessment in order to have your personal income tax rate applied.

In addition, any dividends paid will be subject to U.S. federal tax withheld at source. The dividends will be taxable in this manner regardless of whether you automatically reinvest the dividends in the purchase of additional Shares. The double tax treaty in force between the US and Germany will provide relief from US federal tax withheld at source to the extent the withholding exceeds 15% of the dividend. You may be entitled to a foreign tax credit in Germany for any U.S. federal tax withheld at source on the dividend income, but such credit is limited to the treaty rate of 15%. You are advised to check with your personal tax advisor regarding the availability of treaty relief and of such credit.

## Sale of Shares

When you subsequently sell the Shares acquired under the ESPP, you may be subject to capital gains tax on any gain you realize. The tax treatment for the Shares will depend on when you acquired the Shares:

### *Shares acquired prior to January 1, 2009*

If you sell shares that were acquired prior to January 1, 2009, any capital gain you realize upon sale will be exempt from tax because you have held the Shares for longer than one year, provided that you do not own 1% or more of the Company's stated capital (and have not owned 1% or more at any time in the last five years) and the Shares are not held as business assets.

### *Shares acquired on or after January 1, 2009*

If you sell Shares that were acquired on or after January 1, 2009, the capital gain will be subject to tax at a flat rate (plus solidarity surcharge and church tax, if applicable, on the flat rate tax), provided that you do not own 1% or more of the Company's stated capital (and have not owned 1% or more at any time in the last five years) and the Shares are not held as business assets. The taxable amount will be the difference between the sale price and the fair market value of the Shares on the purchase date, less any costs you incur directly related to the sale of the Shares. You may deduct the annual exempt amount of €801

(€1,602 for married couples and for partners within the meaning of the registered partnership law (*Gesetz über die Eingetragene Lebenspartnerschaft*) filing jointly) from your total capital gains and other income derived from capital investment earned in the relevant tax year. If the flat tax rate exceeds your personal income tax rate, you may elect an assessment in order to have your personal income tax rate applied to the capital gain.

You will be responsible for declaring any capital gains you realize upon the sale of Shares and paying applicable taxes due on such gains (unless your Shares are held by a German financial institution in a custodial account at the time of sale and the German financial institution withholds the applicable taxes due on the capital gains).

If you realize a capital loss, you may deduct the loss only from capital gains generated from the sale of Shares in the same calendar year or in subsequent calendar years. The loss may not be deducted from other income from capital investments (e.g., dividend income or interest income) of the same calendar year or subsequent calendar years.

### **Withholding and Reporting**

Your employer will withhold and report income tax (plus solidarity surcharge and church tax, if applicable) and social security contributions (to the extent that your income has not already exceeded applicable ceilings) due on the discount at purchase to the German tax authorities for the month in which the purchase occurs.

Depending on your personal tax situation, you may be required to file a tax return with the German tax authorities. If applicable, you are responsible for including the income realized under the ESPP in your annual tax return. Further, you are responsible for paying any difference between your actual tax liability and the amount withheld by your employer.

You are also responsible for declaring any taxable dividends or capital gains in your personal income tax return and paying the applicable taxes, unless the applicable tax has already been withheld by the German financial institution where the shares are or were held in a custodial account.

### **12.2 Tax Consequences – Poland**

The following summaries are based on the tax laws in effect in Poland as of the date of this prospectus.

Tax laws are complex and can change frequently. As a result, the information below may be out of date at the time you are granted a right to acquire Shares under the ESPP, at the time you acquire Shares under the ESPP, at the time you receive dividends on the Shares, or at the time you sell such Shares.

Further, the summaries set forth below may not apply to your particular tax or financial situation, and Motorola Solutions is not in a position to assure you of any particular tax result. *Accordingly, you are strongly advised to seek appropriate professional advice as to how the tax or other laws in your country apply to your specific situation.*

If you are a citizen or resident of another country (or are considered as such for local law purposes) or if you transfer employment or residence to another country after you enroll in the ESPP, the information set forth in the summaries below may not be applicable to you.

### **Enrollment in ESPP**

You will not be subject to taxation upon enrollment in ESPP or when a new Offering Period begins.

## Purchase of Shares

When Shares are purchased for you under the ESPP, you will likely earn income classified as income from other sources and be subject to income tax at your progressive income tax rate. The taxable amount will be the difference between the fair market value of the Shares on the purchase date and the purchase price of the Shares (*i.e.*, the "discount"). However, pursuant to the provisions in force since January 1, 2018 (Article 24.11-12 of the Personal Income Tax Act), the discount shall not be taxable upon the purchase of Shares provided that certain conditions are met (which should be the case). You likely will not be subject to social insurance contributions on the discount.

## Dividends

You will be subject to Polish taxation (at a flat rate of 19%) on any dividends paid to you on the Shares you acquire under the ESPP. You will be responsible for directly reporting and paying any tax liabilities attributable to dividends to the local tax authorities.

In addition, any dividends paid will be subject to U.S. federal tax withheld at source. The dividends will be taxable in this manner regardless of whether you automatically reinvest the dividends in the purchase of additional Shares. You may be entitled to a foreign tax credit in Poland for any U.S. federal tax withheld at source on the dividend income. You are advised to check with your personal tax advisor regarding the availability of such a credit.

## Sale of Shares

When you subsequently sell the Shares acquired under the ESPP, you will be subject to capital gains tax on any gain you realize at a flat rate of 19%. The taxable amount will be the difference between the sale price and your cost basis in the Shares, which will generally be equal to price paid for the Shares on the purchase date.

## Withholding and Reporting

Your employer is not required to withhold income tax or report the income you recognized upon purchase of Shares under the ESPP. It is your responsibility to report any income you realize from the purchase of Shares under the ESPP (generally by the 20th day of the month following the month in which you purchased the Shares), unless the deferral from taxation upon purchase of Shares applies or the sale of such Shares (by the end of April of the year following the year in which you sold the Shares).

### 12.3 Tax Consequences – United Kingdom

The following summaries are based on the tax laws in effect in the United Kingdom as of the date of this prospectus.

Tax laws are complex and can change frequently. As a result, the information below may be out of date at the time you are granted a right to acquire Shares under the ESPP, at the time you acquire Shares under the ESPP, at the time you receive dividends on the Shares, or at the time you sell such Shares.

Further, the summaries set forth below may not apply to your particular tax or financial situation, and Motorola Solutions is not in a position to assure you of any particular tax result. *Accordingly, you are strongly advised to seek appropriate professional advice as to how the tax or other laws in your country apply to your specific situation.*

If you are a citizen or resident of another country (or are considered as such for local law purposes) or if you transfer employment or residence to another country after you enroll in the ESPP, the information set forth in the summaries below may not be applicable to you.

## **Enrollment in the ESPP**

You will not be subject to taxation upon enrollment in the ESPP or when a new Offering Period begins.

## **Purchase of Shares**

When Shares are purchased for you under the ESPP, you will be subject to taxation on the difference between the market value of the Shares on the purchase date and the purchase price of the Shares (*i.e.*, the "discount"). The discount will be treated as employment compensation and will be subject to income tax at your applicable income tax rate (basic rate, higher rate, or additional rate) and employee national insurance contributions ("NICs").

## **Dividends**

You will be subject to income tax (but not employee NICs) on any dividends paid to you on Shares you acquire under the ESPP to the extent the dividends you receive for the tax year (April 6 to April 5) exceed the annual dividend allowance. You will be personally responsible for reporting any dividends received by you and paying the applicable taxes directly to Her Majesty's Revenue and Customs ("HMRC") through your annual self-assessment tax return.

In addition, any dividends paid will also be subject to U.S. federal tax withheld at source. The dividends will be taxable in this manner regardless of whether you automatically reinvest the dividends in the purchase of additional Shares. You may be entitled to reduce the rate at which U.S. federal income tax is withheld by providing the appropriate certifications required by the Inland Revenue Service concerning domicile in the UK. You may be entitled to a foreign tax credit in the United Kingdom for any U.S. federal tax withheld at source on the dividend income. You are advised to check with your personal tax advisor regarding the availability of such a credit.

## **Sale of Shares**

When you subsequently sell the Shares acquired under the ESPP, you will be subject to capital gains tax on any gain you realize to the extent your total capital gains for the tax year (April 6 to April 5) exceed the annual exempt amount. The taxable amount will be the difference between the sale price and the market value of the Shares on the purchase date. You will be personally responsible for reporting any capital gains made by you on the sale of the shares and paying the applicable taxes directly to HMRC through your annual self-assessment tax return.

If you acquire other Shares of the Company, whether under the ESPP or outside of it, you will need to take into account the share identification rules in calculating your capital gains tax liability. *These rules are complex and you should consult your personal tax advisor to determine how the share identification rules apply in your particular situation.*

## **Withholding and Reporting**

Your employer will calculate the income tax and NICs due on the discount at purchase and will account for these amounts to HMRC. You are required to reimburse your employer for the amounts accounted by it to HMRC.

**EXHIBIT**

**EXHIBIT I**

**THE MOTOROLA SOLUTIONS  
EMPLOYEE STOCK PURCHASE PLAN OF 1999  
AS AMENDED AND RESTATED EFFECTIVE MAY 18, 2015**

**MOTOROLA SOLUTIONS**  
**EMPLOYEE STOCK PURCHASE PLAN OF 1999**  
**AS AMENDED AND RESTATED EFFECTIVE MAY 18, 2015**

1. Purpose. The purpose of the Plan is to provide an opportunity for Eligible Employees of the Company and its Designated Companies to purchase Common Stock at a discount through voluntary Contributions, thereby attracting, retaining and rewarding such persons and strengthening the mutuality of interest between such persons and the Company's stockholders. The Company intends for offerings under the Plan to qualify as an "employee stock purchase plan" under Section 423 of the Code (a "Section 423 Offering"); provided, however, that the Committee may also authorize the grant of rights under the Plan that are not intended to comply with the requirements of Section 423 of the Code, pursuant to any rules, procedures, or sub-plans adopted by the Committee for such purpose (a "Non-Section 423 Offering").

2. Definitions.

(a) "Administrator" means one or more of the Company's officers or management team appointed by the Board or Committee to administer the day-to-day operations of the Plan. Except as otherwise provided in the Plan, the Board or Committee may assign any of its administrative tasks to the Administrator.

(b) "Applicable Laws" means the requirements relating to the administration of equity-based awards under United States state corporate laws, United States federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws of any foreign country or jurisdiction where rights are, or will be, granted under the Plan.

(c) "Board" means the Board of Directors of the Company.

(d) "Change in Control" means a change in control of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A in accordance with Regulation 14A of the Exchange Act, or any successor provision thereto, whether or not the Company is then subject to such reporting requirement; provided that, without limitation, such a Change in Control shall be deemed to have occurred if:

(i) any "person" or "group" (as such terms are used in Section 13(d) and 14(d) of the Exchange Act) is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 20% or more of the combined voting power of the Company's then-outstanding securities (other than the Company or any employee benefit plan of the Company; and, for purposes of the Plan, no Change in Control shall be deemed to have occurred as a result of the "beneficial ownership," or changes therein, of the Company's securities by either of the foregoing);

(ii) there shall be consummated (A) any consolidation or merger of the Company in which the Company is not the surviving or continuing corporation or pursuant to which shares of Common Stock would be converted into or exchanged for cash, securities or other property, other than a merger of the Company in which the holders of Common Stock immediately prior to the merger have, directly or indirectly, at least a 65% ownership interest in the outstanding common stock of the surviving corporation immediately after the merger, or (B) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all, or substantially all, of the assets of the Company other than any such transaction with entities in which the holders of the Common Stock, directly or indirectly, have at least a 65% ownership interest;

(iii) the stockholders of the Company approve any plan or proposal for the liquidation or dissolution of the Company; or

(iv) as the result of, or in connection with, any cash tender offer, exchange offer, merger or other business combination, sale of assets, proxy or consent solicitation (other than by the Board), contested election or substantial stock accumulation (a "Control Transaction"), the members of the Board immediately prior to the first public announcement relating to such Control Transaction shall thereafter cease to constitute a majority of the Board.

(e) "Code" means the United States Internal Revenue Code of 1986, as amended. Reference to a specific section of the Code or United States Treasury Regulation thereunder will include such section or regulation, any valid regulation or other official applicable guidance promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

(f) "Committee" means the Compensation and Leadership Committee of the Board or another committee consisting of not less than two directors of the Company appointed by the Board, all of whom shall qualify as "non-employee directors" within the meaning of United States Securities and Exchange Commission Regulation § 240.16b-3 or any successor regulation.

(g) "Common Stock" means the common stock of the Company, \$.01 par value per share.

(h) "Company" means Motorola Solutions, Inc., a Delaware corporation.

(i) "Contributions" means the amount of Eligible Pay contributed by a Participating Employee through payroll deductions and other alternative payments that the Committee may permit a Participating Employee to make to fund the exercise of rights to purchase Shares granted pursuant to the Plan.

(j) "Designated Company" means any Subsidiary of the Company, whether now existing or existing in the future, that has been designated by the Committee or the Administrator from time to time in its sole discretion as eligible to participate in the Plan. For purposes of a Section 423 Offering, only the Company and its Subsidiaries may be Designated Companies; provided, however that at any given time, a Subsidiary that is a Designated Company under a Section 423 Offering will not be a Designated Company under a Non-Section 423 Offering.

(k) "Eligible Employee" means any individual in an employee-employer relationship with the Company or a Designated Company for income tax and employment tax withholding and reporting purposes, regardless of any subsequent reclassification by the Company or a Designated Company, any governmental agency, or any court. For purposes of clarity, the term "Eligible Employee" shall not include: (i) any independent contractor; (ii) any consultant; (iii) any individual performing services for the Company or a Designated Company who has entered into an independent contractor or consultant agreement with the Company or a Designated Company; (iv) any individual performing services for the Company or a Designated Company under an independent contractor or consultant agreement, a purchase order, a supplier agreement or any other agreement that the Company or a Designated Company enters into for services; (v) any individual classified by the Company or a Designated Company as contract or contingent labor (such as contractors, contract employees, job shoppers), regardless of length of service; (vi) any individual whose base wage or salary is not processed for payment by the payroll department(s) or payroll provider(s) of the Company or a Designated Company; and (vii) any leased employee. The Committee or the Administrator shall have exclusive discretion to determine whether an individual is an Eligible Employee for purposes of the Plan.

(l) "Eligible Pay" means an Eligible Employee's base pay, which shall include base wages or salary payable in cash during the pay period and shall be calculated before (i) deduction required for income tax, social contributions or other similar withholding and (ii) any such amounts deferred by an Eligible Employee under a 401(k) plan or similar deferred compensation program or arrangement established by the Company or any of its Subsidiaries, but shall not include commissions, bonuses, annual awards, equity compensation (such as stock options or restricted stock units), other

incentive payments, expense reimbursements, allowances or other compensation directly or indirectly paid during the pay period.

(m) "Enrollment Period" means the period during which an Eligible Employee may elect to participate in the Plan, with such period occurring on or before the first day of an Offering Period, as prescribed by the Committee or the Administrator.

(n) "Exchange Act" means the United States Securities Exchange Act of 1934, as amended, from time to time, or any successor law thereto, and the regulations promulgated thereunder.

(o) "Offering" means a Section 423 Offering or a Non-Section 423 Offering of a right to purchase Shares under the Plan during an Offering Period as further described in paragraph 6. For purposes of the Plan, the Committee or Administrator may establish separate Offerings under the Plan (the terms of which need not be identical) in which Eligible Employees of one or more Designated Companies may participate, even if the dates of the applicable Offering Periods of each such Offering are identical and the provisions of the Plan will separately apply to each Offering. With respect to Section 423 Offerings, the terms of each Offering need not be identical provided that the terms of the Plan and an Offering together satisfy the requirements of Section 423 of the Code; a Non-Section 423 Offering need not satisfy such regulations.

(p) "Offering Period" means the six-month period commencing on the first Trading Day on or after April 1 and October 1 of each year continuing thereafter to the Share Purchase Date, or on such other date as the Committee or the Administrator shall determine.

(q) "Parent" means a "parent corporation" as defined under Section 424(e) of the Code, whether now or hereafter existing, which shall be any corporation (other than the Company) in an unbroken chain of corporations ending with the Company if, at the time of the granting of the rights under the Plan, each of the corporations other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

(r) "Participating Employee" means an Eligible Employee that elects to Participate in the Plan.

(s) "Plan" means this Motorola Solutions Amended and Restated Employee Stock Purchase Plan of 1999.

(t) "Purchase Price" means an amount equal to the lesser of 85% of the closing price of shares of Common Stock (i) at the beginning of the Offering Period or (ii) on the Share Purchase Date. For purposes of the Plan, the closing price shall be the closing price of a share of Common Stock as reported in the New York Stock Exchange Composite Transactions as reported in the Wall Street Journal at [www.online.wsj.com](http://www.online.wsj.com); the Committee shall have the authority to establish a different Purchase Price for any Section 423 Offering or Non-Section 423 Offering, provided that such Purchase Price applicable to a Section 423 Offering complies with the provisions of Section 423 of the Code.

(u) "Shares" means the shares of Common Stock subject to the Plan.

(v) "Share Purchase Date" means the last Trading Day of each Offering Period (or such other trading day as the Committee shall determine).

(w) "Subsidiary" means a "subsidiary corporation" as defined in Section 424(f) of the Code, whether now or hereafter existing, which shall be any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if, at the time of the granting of the rights under the Plan, each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

(x) "Tax-Related Items" means any income tax, social insurance, payroll tax, payment on account or other tax-related items arising in relation to the Participating Employee's participation in the Plan.

(y) "Trading Day" means a day on which the New York Stock Exchange is open for trading.

3. Shares Subject to Plan. Subject to adjustment pursuant to paragraph 15 hereof, an aggregate of 41,757,142 Shares may be sold pursuant to the Plan. Such Shares may be authorized but unissued Common Stock, treasury shares or Common Stock purchased in the open market. For avoidance of doubt, the limitation set forth in this paragraph may be used to satisfy purchases of Shares under either a Section 423 Offering or a Non-Section 423 Offering.

4. Administration. The Plan shall be administered by the Committee. Subject to the terms of the Plan, and in addition to other express powers and authorizations conferred on the Committee by the Plan, the Committee shall have sole and plenary authority to administer the Plan, including, without limitation, the authority to (i) construe, interpret, reconcile any inconsistency in, correct any default in and supply any omission in, and apply the terms of the Plan and any enrollment form or other instrument or agreement relating to the Plan, (ii) determine eligibility and adjudicate all disputed claims filed under the Plan, including whether Eligible Employees shall participate in a Section 423 Offering or a Non-Section 423 Offering and which Subsidiaries of the Company shall be Designated Companies participating in either a Section 423 Offering or a Non-Section 423 Offering, (iii) determine the terms and conditions of any right to purchase Shares under the Plan, (iv) establish, amend, suspend or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan, (v) amend an outstanding right to purchase Shares, including any amendments to a right that may be necessary for purposes of effecting a transaction contemplated under paragraph 15 hereof (including, but not limited to, an amendment to the class or type of stock that may be issued pursuant to the exercise of a right or the Purchase Price applicable to a right), provided that the amended right otherwise conforms to the terms of the Plan, and (vi) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan. The Committee may assign any of its administrative tasks set forth in this paragraph to the Administrator.

Notwithstanding any provision to the contrary in this Plan, the Committee or Administrator may designate a Subsidiary of the Company as a Designated Company participating in either a Section 423 Offering or Non-Section 423 Offering under the Plan. The Committee or the Administrator may also adopt rules or procedures relating to the operation and administration of the Plan, including relating to a Non-Section 423 Offering to accommodate the specific requirements of local laws and procedures for jurisdictions outside of the United States. Without limiting the generality of the foregoing, the Committee or the Administrator is specifically authorized to adopt rules, procedures and subplans, which, for purposes of a Non-Section 423 Offering, may be outside the scope of Section 423 of the Code, regarding, without limitation, eligibility to participate, the definition of Eligible Pay, handling of payroll deductions, making of contributions to the Plan (including, without limitation, in forms other than payroll deductions), establishment of bank or trust accounts to hold payroll deductions, payment of interest, conversion of local currency, obligations to pay payroll tax, withholding procedures and handling of Share issuances, which may vary according to local requirements. The Committee or Administrator may also adopt rules, procedures or sub-plans applicable to particular Designated Companies or locations under a Non-Section 423(b) Offering of the Plan. The rules of such sub-plans may take precedence over other provisions of this Plan, with the exception of paragraph 3, but unless superseded by the terms of such sub-plan, the provisions of this Plan shall govern the operation of such sub-plan.

For clarity's sake, the Committee may not delegate its authority to make adjustments pursuant to paragraph 15(a), to amend or terminate the Plan pursuant to paragraph 18 or enlarge the Shares authorized for issuance under the Plan pursuant to paragraph 3. No member of the Board, no member of the Committee and no employee of the Company shall be liable for any act or failure to act hereunder, by any other member or employee or by any agent to whom duties in connection with the administration of this Plan have been delegated or, except in circumstances involving his or her bad faith, gross negligence or fraud, for any act or failure to act by the member or employee.

## 5. Eligibility.

(a) General. Any individual who is an Eligible Employee as of the commencement of an Offering Period will be eligible to participate in the Plan, subject to the requirements of paragraph 6.

(b) Non-U.S. Employees. An Eligible Employee who is a citizen or resident of a jurisdiction other than the United States (without regard to whether such individual also is a citizen or resident of the United States, for tax purposes or otherwise) may be excluded from participation in the Plan or an Offering if the participation of such Eligible Employee is prohibited under the laws of the applicable jurisdiction or if complying with the laws of the applicable jurisdiction would cause the Plan or a Section 423 Offering to violate Section 423 of the Code. In the case of a Non-Section 423 Offering, an Eligible Employee (or group of Eligible Employees) may be excluded from participation in the Plan or an Offering if the Committee or Administrator has determined, in its sole discretion, that participation of such Eligible Employee(s) is not advisable or practicable for any reason.

(c) Limitations. Notwithstanding any provisions of the Plan to the contrary, no Eligible Employee shall be granted a right to purchase Shares under a Section 423 Offering (i) to the extent that, immediately after the grant, such Eligible Employee (or any other person whose stock would be attributed to such Eligible Employee pursuant to Section 424(d) of the Code) would own capital stock of the Company and/or hold outstanding rights to purchase capital stock possessing five percent (5%) or more of the total combined voting power or value of all classes of the capital stock of the Company or of any Subsidiary of the Company, or (ii) except as otherwise provided by the Committee, to the extent that his or her rights to purchase capital stock under all employee stock purchase plans of the Company and its Subsidiaries accrues at a rate that exceeds Twenty-Five Thousand Dollars (US\$25,000) worth of such stock (determined at the fair market value of the shares of such stock at the time such right is granted) for each calendar year in which such purchase right is both outstanding and exercisable.

6. Offering Periods. The Plan shall be implemented by consecutive Offering Periods with a new Offering Period commencing on the first Trading Day on or after April 1 and October 1 of each year, or on such other date as the Committee or Administrator shall determine, and continuing thereafter to the Share Purchase Date, which shall be the last Trading Day of the respective six month period, or such other date as the Committee or Administrator shall determine or until terminated in accordance with paragraph 18 hereof. The Committee shall have the power to change the duration of Offering Periods (including the commencement dates thereof) with respect to future Offerings.

7. Participation. An Eligible Employee may elect to participate in an Offering Period under the Plan during any Enrollment Period. Any such election shall be made by completing the online enrollment process through the Company's designated Plan broker or by contacting the Company during such Enrollment Period, authorizing Contributions in an amount not exceeding 20% of the Eligible Employee's Eligible Pay for the payroll period to which the deduction applies, or such other amount as may be determined by the Committee. A Participating Employee may elect to increase or decrease the rate such Contributions during any subsequent Enrollment Period by completing a subsequent online enrollment process through the Company's designated Plan broker or to the Company, provided that no change in Contributions shall be permitted to the extent that such change would result in total Contributions exceeding 20% of the Eligible Employee's Eligible Pay, or such other amount as may be determined by the Committee. An Eligible Employee may not initiate, increase or decrease Contributions as of any date other than during an Enrollment Period.

8. Contributions. The Company shall establish a contribution account in the form of a bookkeeping entry for each Participating Employee for the purpose of tracking Contributions made by each Participating Employee during the Offering Period, and shall credit all Contributions made by each Participating Employee to such contribution account. The Company shall not be obligated to segregate the Contributions from the general funds of the Company or any Designated Company nor shall any interest be paid on such Contributions, unless otherwise determined by the Committee or required by Applicable Laws. All Contributions received by the Company for Shares sold by the Company on any Share Purchase Date pursuant to this Plan may be used for any corporate purpose.

9. Purchase of Shares. Subject to the limitations set forth in paragraph 5(c), each Participating Employee shall have the right to purchase as many Shares, including fractional shares, as may be purchased with the Contributions credited to his or her contribution account as of the last day of the Offering Period (or such other date as the Committee shall determine) at the Purchase Price applicable to such Offering Period; provided, however, that a Participating Employee may not purchase in excess of 14,285 Shares under the Plan per Offering Period (subject to adjustment pursuant to paragraph 15 hereof). Any amount remaining in a Participating Employee's contribution account as of the relevant Share Purchase Date in excess of the amount that may properly be applied to the purchase of Shares as a result of the application of the limitations set forth herein (or as designated by the Committee) shall be refunded, without interest, to the Participating Employee as soon as practicable.

10. Taxes. At the time a Participating Employee's purchase right is exercised, in whole or in part, or at the time a Participating Employee disposes of some or all of the Shares acquired under the Plan, the Participating Employee shall make adequate provision for any Tax-Related Items. In their sole discretion, the Company or the Designated Company that employs the Participating Employee may satisfy their obligations to withhold Tax-Related Items by (a) withholding from the Participating Employee's compensation, (b) withholding a sufficient whole number of Shares otherwise issuable following purchase having an aggregate fair market value sufficient to pay the minimum Tax-Related Items required to be withheld with respect to the Shares, or (c) withholding from proceeds from the sale of Shares issued upon purchase, either through a voluntary sale or a mandatory sale arranged by the Company.

11. Brokerage Accounts or Plan Share Accounts. By enrolling in the Plan, each Participating Employee shall be deemed to have authorized the establishment of a brokerage account on his or her behalf at a securities brokerage firm selected by the Committee. Alternatively, the Committee may provide for Plan share accounts for each Participating Employee to be established by the Company or by an outside entity selected by the Committee which is not a brokerage firm. Shares purchased by a Participating Employee pursuant to the Plan shall be held in the Participating Employee's brokerage or Plan share account.

12. Rights as Stockholder. A Participating Employee shall have no rights as a stockholder with respect to Shares subject to any rights granted under this Plan or any Shares deliverable under this Plan unless and until such Shares are recorded in the books of the brokerage firm selected by the Committee or, as applicable, the Company, its transfer agent, stock plan administrator or such other outside entity which is not a brokerage firm. Unless otherwise determined by the Committee or required by any Applicable Law, the Company shall not deliver to any Participating Employee any certificates evidencing Shares issued in connection with any purchase under the Plan.

13. Withdrawals. A Participating Employee may withdraw from an Offering Period by completing the online withdrawal process through the Company's designated Plan broker or contacting the Company. A notice of withdrawal must be received by the first trading day of the last month of an Offering Period in order for such withdrawal to be effective during the current Offering Period. Upon receipt of such notice, Contributions on behalf of the Participating Employee shall be discontinued commencing with the payroll period immediately following the effective date of the notice of withdrawal, and such Participating Employee may not again be eligible to participate in the Plan until the next Enrollment Period. Amounts credited to a contribution account of any Participating Employee who withdraws by the first trading day of the last month of an Offering Period shall be refunded, without interest, as soon as practicable.

14. Termination of Employment.

(a) General. Upon a Participating Employee ceasing to be an Eligible Employee for any reason, including death or termination of employment with a Designated Company, Contributions for such Participating Employee shall be discontinued and any amounts then credited to the Participating Employee's contribution account shall be refunded, without interest, as soon as practicable, except as otherwise provided by the Committee.

(b) Leave of Absence. Subject to the discretion of the Committee, if a Participating Employee is granted a paid leave of absence, payroll deductions on behalf of the Participating Employee shall

continue and any amounts credited to the Participating Employee's contribution account may be used to purchase Shares as provided under the Plan. If a Participating Employee is granted an unpaid leave of absence, Contributions on behalf of the Participating Employee shall be discontinued and no other Contributions shall be permitted (unless otherwise determined by the Administrator or required by Applicable Laws), but any amounts then credited to the Participating Employee's contribution account may be used to purchase Shares on the next applicable Share Purchase Date.

(c) Transfer of Employment. A Participating Employee whose employment transfers or whose employment terminates with an immediate rehire (with no break in service) by or between the Company or any Designated Company (including transfers between Designated Companies) participating in a Section 423 Offering will not be treated as having terminated employment for purposes of participating in the Plan or an Offering; however, if a Participating Employee transfers from a Section 423 Offering to a Non-Section 423 Offering (or vice versa) or between Non-Section 423 Offerings, the Participating Employee will be treated as having withdrawn from the Offering Period in accordance with paragraph 13, unless otherwise determined by the Committee in its sole discretion.

#### 15. Adjustment Provisions.

(a) Changes in Capitalization. In the event of any change affecting the number, class, or terms of the shares of Common Stock by reason of stock dividend, stock split, recapitalization, reorganization, merger, consolidation, spin-off, disaffiliation of a Subsidiary, combination of shares, exchange of shares, stock rights offering, or other similar event, then the Committee shall equitably adjust the number and class of Common Stock that may be delivered under the Plan (including the numerical limits of paragraphs 3 and 9), the Purchase Price per Share and the number of shares of Common Stock covered by each unexercised right under the Plan to give proper effect to the change. For the avoidance of doubt, the Committee may not delegate its authority to make adjustments pursuant to this paragraph. Except as expressly provided herein, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of Shares subject to a purchase right.

(b) Dissolution or Liquidation. In the event of a Change in Control contemplated under paragraph 2(e)(iii), the Offering Period then in progress shall be shortened by setting a new Share Purchase Date (the "New Purchase Date"), and shall terminate immediately prior to the consummation of such proposed dissolution or liquidation, unless provided otherwise by the Committee. The New Purchase Date shall be before the date of the Company's proposed dissolution or liquidation. The Committee shall notify each Participating Employee in writing, at least ten (10) trading days prior to the New Purchase Date, that the Purchase Date for the Participating Employee's purchase right has been changed to the New Purchase Date and that Shares shall be purchased automatically for the Participating Employee on the New Purchase Date, unless prior to such date the Participating Employee has withdrawn from the Offering Period, as provided in paragraph 13 hereof.

(c) Change in Control. In the event of a Change in Control, each outstanding right to purchase Shares shall be equitably adjusted and assumed or an equivalent right to purchase Shares substituted by the successor corporation or a Parent or Subsidiary of the successor corporation. In the event that the successor corporation refuses to assume or substitute for the purchase right, the Offering Period then in progress shall be shortened by setting a New Purchase Date and shall end on the New Purchase Date. The New Purchase Date shall be before the date of the Company's proposed Change in Control. The Committee shall notify each Participating Employee in writing, at least ten (10) trading days prior to the New Purchase Date, that the Purchase Date for the Participating Employee's purchase right has been changed to the New Purchase Date and that Shares shall be purchased automatically for the Participating Employee on the New Purchase Date, unless prior to such date the Participating Employee has withdrawn from the Offering Period, as provided in paragraph 13 hereof.

16. Rights Not Transferable. Rights granted under this Plan are not transferable by a Participating Employee other than by will or the laws of descent and distribution, and are exercisable during a Participating Employee's lifetime only by the Participating Employee.

17. Employment Rights. Participation in the Plan shall not be construed as giving any Participating Employee the right to be retained as an employee of the Company or a Subsidiary, as applicable. Furthermore, the Company or a Subsidiary may dismiss any Participating Employee from employment at any time, free from any liability or any claim under the Plan.

18. Amendments and Termination. The Board or the Committee may amend the Plan at any time, provided that, if shareholder approval is required pursuant to the Code, United States federal securities laws or regulations, or the rules or regulations of the New York Stock Exchange (or any other securities exchange on which the Common Stock is listed or traded), then no such amendment shall be effective unless approved by the Company's stockholders within such time period and manner as may be required. The Board or Committee may suspend the Plan or discontinue the Plan at any time. Upon termination of the Plan, all Contributions shall cease and all amounts then credited to a Participating Employee's contribution account shall be equitably applied to the purchase of whole Shares then available for sale, and any remaining amounts shall be promptly refunded, without interest, to Participating Employees.

19. Conditions Upon Issuance of Shares. Notwithstanding any other provision of the Plan, unless there is an available exemption from any registration, qualification or other legal requirement applicable to the Shares, the Company shall not be required to deliver any Shares issuable upon exercise of a right under the Plan prior to the completion of any registration or qualification of the Shares under Applicable Law, or prior to obtaining any approval or other clearance from any local, state, federal or foreign governmental agency, which registration, qualification or approval the Administrator shall, in its absolute discretion, deem necessary or advisable. The Company is under no obligation to register or qualify the Shares with any state or foreign securities commission, or to seek approval or clearance from any governmental authority for the issuance or sale of the Shares. If, pursuant to this paragraph 19, the Administrator determines that the Shares will not be issued to any Participating Employee, any Contributions credited to such Participating Employee's contribution account shall be promptly refunded, without interest, to the Participating Employee, without any liability to the Company or any of its Subsidiaries.

20. Code Section 409A; Tax Qualification.

(a) Code Section 409A. Rights to purchase Shares granted under a Section 423 Offering are exempt from the application of Section 409A of the Code. In furtherance of the foregoing and notwithstanding any provision in the Plan to the contrary, if the Administrator determines that a right granted under the Plan may be subject to Section 409A of the Code or that any provision in the Plan would cause a right under the Plan to be subject to Section 409A of the Code, the Administrator may amend the terms of the Plan and/or of an outstanding right granted under the Plan, or take such other action the Administrator determines is necessary or appropriate, in each case, without the Participating Employee's consent, to exempt any outstanding right or future right that may be granted under the Plan from or to allow any such rights to comply with Section 409A of the Code, but only to the extent any such amendments or action by the Administrator would not violate Section 409A of the Code. Notwithstanding the foregoing, the Company will have no liability to a Participating Employee or any other party if the right to purchase Shares under the Plan that is intended to be exempt from or compliant with Section 409A of the Code is not so exempt or compliant or for any action taken by the Administrator with respect thereto. The Company makes no representation that the right to purchase Shares under the Plan is compliant with Section 409A of the Code.

**Tax Qualification. Although the Company may endeavor to (i) qualify a right to purchase Shares for favorable tax treatment under the laws of the United States or jurisdictions outside of the United States or (ii) avoid adverse tax treatment (e.g., under Section 409A of the Code), the Company makes no representation to that effect and expressly disavows any covenant to maintain favorable or avoid unfavorable tax treatment, notwithstanding**

***anything to the contrary in this Plan, including paragraph 20(a) hereof. The Company shall be unconstrained in its corporate activities without regard to the potential negative tax impact on Participating Employees under the Plan.***

21. Expenses. Unless otherwise set forth in the Plan or determined by the Committee or Administrator, all expenses of administering the Plan, including expenses incurred in connection with the purchase of Shares for sale to Participating Employees, shall be borne by the Company and its Subsidiaries.

22. Governing Law. Except to the extent that provisions of this Plan are governed by applicable provisions of the Code or any other substantive provision of United States federal law, this Plan shall be construed in accordance with the laws of the State of Illinois, without giving effect to the conflict of laws principles thereof. Any legal action related to the Plan, the purchase rights granted under the Plan or any enrollment form or other instrument or agreement relating to the Plan shall be brought only in a United States federal or state court located in Illinois.

23. Headings. Headings are given to the paragraphs and subparagraphs of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan.

24. Stockholder Approval. The Plan was originally adopted by the Board on March 9, 1999 and approved by stockholders on May 3, 1999, and this Amendment and Restatement was adopted by the Board on March 9, 2015, subject to approval by stockholders at the annual meeting of stockholders on May 18, 2015, which shareholder approval was obtained.

**CROSS-REFERENCE LISTS**

**ANNEX I**

**MINIMUM DISCLOSURE REQUIREMENTS FOR THE SHARE REGISTRATION DOCUMENT  
(SCHEDULE)**

(Page numbering refers to the page contained in the relevant document)

<b>Item #</b>	<b>Item contents</b>	<b>Section/Exhibit</b>	<b>Page/Section</b>
<b>1.</b>	<b>Persons Responsible</b>		
1.1.	All persons responsible for the information given in the prospectus	Prospectus	4 (Company Representative for Prospectus)
1.2.	A declaration by those responsible for the prospectus	Prospectus	4 (Company Representative for Prospectus)
<b>2.</b>	<b>Statutory Auditors</b>		
2.1.	Names and addresses of the issuer's auditors	Part II - Section B	63 - 64 (10.2 Independent Registered Public Accounting Firm)
2.2.	If auditors have resigned, been removed or not been re-appointed during the period covered by the historical financial information, indicate details if material.	Not applicable	Not applicable
<b>3.</b>	<b>Selected Financial Information</b>		
3.1.	Selected historical financial information	Part II - Section B	62 - 63 (10.1 Selected Financial Data)
3.2.	Interim periods	Part II - Section B	62 - 63 (10.1 Selected Financial Data)
<b>4.</b>	<b>Risk Factors</b>	Part II - Section A	17 - 36 (Risk Factors)
<b>5.</b>	<b>Information about the Issuer</b>		
<b>5.1.</b>	<b>History and Development of the Issuer</b>		
5.1.1.	The legal and commercial name of the issuer;	Part I - Section B	5 (B.1 Legal and Commercial Name of the

CROSS REFERENCE LISTS

Item #	Item contents	Section/Exhibit	Page/Section
			Issuer)
<b>12.</b>	<b>Trend Information</b>		
12.1.	Significant trends that affected production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the prospectus.	Part I - Section B	7 - 8 (B4a. Recent Trends)
12.2.	Trends, uncertainties or events that are likely to affect the issuer for at least the current financial year.	Part I - Section B	7 - 8 (B4a. Recent Trends)
		Part II - Section A	17 - 36 (Risk Factors)
<b>13.</b>	<b>Profit Forecasts or Estimates</b>	Not applicable	Not applicable
<b>14.</b>	<b>Administrative, Management, Supervisory Bodies and Senior Management</b>		
14.1	Names, business addresses and functions in the issuer of the following persons and an indication of the principal activities performed by them outside the issuer where these are significant with respect to that issuer:  a) members of the administrative, management or supervisory bodies;	Part II - Section B	49 - 52 (7.1 Board of Directors as of July 11, 2018) and  59 - 60 (8.1 Security Ownership of Management and Directors)
	b) partners with unlimited liability, in the case of a limited partnership with a share capital;	Not applicable	Not applicable
	c) founders, if the issuer has been established for fewer than five years; and	Not applicable	Not applicable
	d) any senior manager who is relevant to establishing that the issuer has the appropriate expertise and experience for the management of the issuer's business.	Part II - Section B	53 (7.2 Executive Officers as of July 11, 2018) and  59 - 60 (8.1 Security Ownership of Management and Directors)
	The nature of any family relationship between any of those persons.	Part II - Section B	53 - 54 (7.3 Fraudulent Offences and Bankruptcy, Etc.)

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Item #	Item contents	Section/Exhibit	Page/Section
	<p>In the case of each member of the administrative, management or supervisory bodies of the issuer and each person mentioned in points (b) and (d) of the first subparagraph, details of that person's relevant management expertise and experience and the following information:</p> <p>(a) the nature of all companies and partnerships of which such person has been a member of the administrative, management and supervisory bodies or partner at any time in the previous five years, indicating whether or not the individual is still a member of the administrative, management or supervisory bodies or partner. It is not necessary to list all the subsidiaries of an issuer of which the person is also a member of the administrative, management or supervisory bodies or partner. It is not necessary to list all the subsidiaries of an issuer of which the person is also a member of the administrative, management or supervisory bodies.</p>	Part II - Section B	<p>49 - 52 (7.1 Board of Directors as of July 11, 2018) and</p> <p>53 (7.2 Executive Officers as of July 11, 2018)</p>
	<p>(b) any convictions in relation to fraudulent offences for at least the previous five years;</p> <p>(c) details of any bankruptcies, receiverships or liquidations with which a person described in (a) and (d) of the first subparagraph who was acting in the capacity of any of the positions set out in (a) and (d) of the first subparagraph was associated for at least the previous five years;</p> <p>(d) details of any official public incrimination and/or sanctions of such person by statutory or regulatory authorities (including designated professional bodies) and whether such person has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.</p> <p>If there is no such information to be disclosed, a statement to that effect is to be made.</p>	Part II - Section B	<p>53 - 54 (7.3 Fraudulent Offences and Bankruptcy, Etc.)</p>
14.2.	Administrative, management, and supervisory bodies and senior management conflicts of interests.	Part II - Section B	54 - 59 (7.4 Conflicts of Interest)
<b>17.</b>	<b>Employees</b>		
17.2.	Shareholdings and stock options.	Part II - Section B	59 - 60 (8.1 Security Ownership of Management and Directors)

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Item #	Item contents	Section/Exhibit	Page/Section
17.3	Description of any arrangements for involving the employees in the capital of the issuer.	Exhibit I	All sections
		Part II - Section B	60 - 61 (8.2 Stock Plans)
<b>20.7.</b>	<b>Dividend policy</b>		
20.7.1.	The amount of the dividend per share for each financial year for the period covered by the historical financial information	Part II - Section B	41 - 42 (4.5 Rights Attached to the Securities - Dividend Rights) and 62 - 63 (10.1 Selected Financial Data)
20.8.	Legal and arbitration proceedings	Part II - Section B	47 - 48 (5.3 Indirect and Contingent Indebtedness - Legal Matters)
20.9.	Significant change in the issuer's financial or trading position	Not Applicable	Not Applicable
<b>23.</b>	<b>Third Party Information and Statement by Experts and Declarations of any Interest</b>		
23.1.	Where a statement or report attributed to a person as an expert is included in the Registration Document, provide such person's name, business address, qualifications and material interest if any in the issuer.	Not applicable	Not applicable
23.2.	Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced.	Not applicable	Not applicable
<b>24.</b>	<b>DOCUMENTS ON DISPLAY</b>	Part II - Section B	64 (XI. Documents on Display)

**ANNEX III**

**MINIMUM DISCLOSURE REQUIREMENTS FOR THE SHARE SECURITIES NOTE (SCHEDULE)**

(Page numbering refers to the page contained in the relevant document)

<b>Item #</b>	<b>Item contents</b>	<b>Section/Exhibit</b>	<b>Page/Section</b>
<b>1.</b>	<b>Persons Responsible</b>		
1.1.	All persons responsible for the information given in the prospectus.	Prospectus	4 (Company Representative for Prospectus)
1.2.	A declaration by those responsible for the prospectus.	Prospectus	4 (Company Representative for Prospectus)
<b>2.</b>	<b>Risk Factors</b>	Part II - Section A	17 - 36 (Risk Factors)
		Part II - Section B	41 (4.4 Currency of the Securities Issue, sentence beginning "Participating employees assume the risk (...)")
<b>3.</b>	<b>Key Information</b>		
3.1	Working capital statement	Part II - Section B	62 (IX. Working Capital Statement)
3.2	Capitalization and indebtedness	Part II - Section B	45 - 48 (V. Statement of Capitalization and Indebtedness as of June 30, 2018)
3.4	Reasons for the offer and use of proceeds	Part II - Section B	36 (1.1 Purpose of the ESPP)
		Exhibit I	Section 1
<b>4.</b>	<b>Information Concerning the Securities to be Offered/Admitted to Trading</b>		
4.1	Type and the class of the securities being offered, including the security identification code.	Part II - Section B	40 (4.1 Type and the Class of the Securities Being

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<b>Item #</b>	<b>Item contents</b>	<b>Section/Exhibit</b>	<b>Page/Section</b>
			Offered, Including the Security Identification Code)
		Exhibit I	Section 3
4.2	Legislation under which the securities have been created.	Part II - Section B	40 (4.2. Legislation Under Which the Securities Have Been Created )
		Exhibit I	Section 2(b)
4.3	Form of securities, name and address of the entity in charge of keeping the records.	Part II - Section B	40 - 41 (4.3 Form of Securities, Name and Address of the Entity in Charge of Keeping the Records)
4.4	Currency of the securities issue.	Part II - Section B	41 (4.4 Currency of the Securities Issue)
4.5	Rights attached to the securities	Part II - Section B	41 - 43 (4.5 Rights Attached to the Securities)
4.6	Statement of the resolutions, authorizations and approvals by virtue of which the securities have been or will be created and/or issued.	Exhibit I	Section 24
4.7	Expected issue date of the securities.	Part II - Section B	37 (1.3 Purchase Period)
4.8	Description of any restrictions on the free transferability of the securities.	Part II - Section B	43 (4.6 Transferability)
		Exhibit I	Section 16
4.9	Mandatory takeover bids and/or squeeze-out and sell-out rules in relation to the securities.	Part II - Section B	43 - 45 (4.7. General Provisions Applying to Business Combinations)
4.11	Information on taxes on the income from the securities withheld at source	Part II - Section B	64 - 68 (XII. Tax Consequences)

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Item #	Item contents	Section/Exhibit	Page/Section
5.	<b>Terms and Conditions of the Offer</b>		
5.1	<b>Conditions, offer statistics, expected timetable and action required to apply for the offer</b>		
5.1.1	Conditions to which the offer is subject.	Part II - Section B	36 - 40 (I. The Outline, II. Eligibility and III. Delivery and Sale of the Shares)
		Exhibit I	All sections
5.1.2	Total amount of the issue/offer.	Part II - Section B	36 - 37 (1.2. Shares offered under ESPP)
		Exhibit I	Section 2
5.1.3	Time period during which the offer will be open and description of the application process.	Part II - Section B	37 (1.3 Purchase Period) and  38 (2.2. Participation of Eligible Employees)
		Exhibit I	Sections 6, 7 and 18
5.1.4	Circumstances under which the offer may be revoked or suspended and whether revocation can occur after dealing has begun.	Part II - Section B	37 - 38 (1.6. Termination or Amendment of ESPP)
		Exhibit I	Sections 14 and 18
5.1.5	Possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants.	Part II - Section B	39 (2.4. Discontinuance of Participation of Participating Employees)
5.1.6	Minimum and /or maximum amount of application.	Exhibit I	Sections 5 and 7
5.1.7	Period during which an application may be withdrawn.	Part II - Section B	39 (2.4. Discontinuance of Participation of Participating Employees)
		Exhibit I	Section 13

**CROSS REFERENCE LISTS**

<b>Item #</b>	<b>Item contents</b>	<b>Section/Exhibit</b>	<b>Page/Section</b>
5.1.8	Method and time limits for paying up the securities and for delivery of the securities.	Part II - Section B	36 - 37 (1.2. Shares offered under ESPP to 1.5 Purchase of Shares)
		Exhibit I	Section 9
<b>5.3</b>	<b>Pricing</b>		
5.3.1.	An indication of the price at which the securities will be offered.	Part II - Section B	37 (1.4 Purchase Price)
		Exhibit I	Section 2(t)
5.3.2.	Process for the disclosure of the offer price.	Part II - Section B	39 - 40 (III. Delivery and Sale of the Shares)
		Exhibit I	Section 9
5.3.3.	If the issuer's equity holders have pre-emptive purchase rights and this right is restricted or withdrawn.	Part II - Section B	43 (No Preemptive, Redemptive or Conversion Provisions)
5.3.4	Where there is or could be a material disparity between the public offer price and the effective cash cost to members of the administrative, management or supervisory bodies or senior management, or affiliated persons, of securities acquired by them in transactions during the past year.	Not applicable	Not applicable
<b>5.4.</b>	<b>Placing and Underwriting</b>		
5.4.2	Name and address of any paying agents and depository agents in each country.	Part II - Section B	40 - 41 (4.3 Form of Securities, Name and Address of the Entity in Charge of Keeping the Records)
<b>6.</b>	<b>Admission to Trading and Dealing Arrangements</b>		
6.1	Whether the securities offered are or will be the object of an application for admission to trading.	Part II - Section B	40 (4.1 Type and Class of the Securities being Offered, Including the Security Identification Code)

CROSS REFERENCE LISTS

<b>Item #</b>	<b>Item contents</b>	<b>Section/Exhibit</b>	<b>Page/Section</b>
6.2	Regulated markets or equivalent markets on which securities of the same class of the securities to be offered or admitted to trading are already admitted to trading.	Part II - Section B	40 (4.1 Type and Class of the Securities being Offered, Including the Security Identification Code)
<b>8.</b>	<b>Expense of the Issue/Offer</b>		
8.1.	The total net proceeds and an estimate of the total expenses of the issue/offer.	Part II - Section B	49 (6.2. Net Proceeds)
<b>9.</b>	<b>Dilution</b>		
9.1.	The amount and percentage of immediate dilution resulting from the offer.	Part II - Section B	48 - 49 (6.1. Maximum Dilution)
9.2.	In the case of a subscription offer to existing equity holders, the amount and percentage of immediate dilution if they do not subscribe to the new offer.	Not applicable	Not applicable
<b>10.</b>	<b>Additional Information</b>		
10.1.	If advisors connected with an issue are mentioned in the Securities Note, a statement of the capacity in which the advisors have acted.	Not applicable	Not applicable
10.3.	Where a statement or report attributed to a person as an expert is included in the Securities Note, provide such persons' name, business address, qualifications and material interest if any in the issuer.	Not applicable	Not applicable
10.4.	Where information has been sourced from a third party.	Not applicable	Not applicable