

PLAN OF ALLOCATION OF NET SETTLEMENT FUND AMONG CLASS MEMBERS

The Net Settlement Fund shall be distributed to Class Members who submit acceptable Proofs of Claim (“Authorized Claimants”) in the following manner:

1. The Claims Administrator shall determine each Authorized Claimant’s share of the Net Settlement Fund based upon the Recognized Loss formula described below in Paragraphs 7-14. The Recognized Loss formula is intended to equitably apportion the Net Settlement Fund among Class Members. The Recognized Loss formula is not an estimate of what a Class Member would have recovered after trial; nor is it the amount that the Authorized Claimant will be paid pursuant to the Settlement. A Class Member’s actual share of the Net Settlement Fund shall be determined *pro rata* by the ratio of the Class Member’s Recognized Loss divided by the aggregate of the Recognized Loss of all Class Members.
2. The calculation of each Class Member’s Recognized Loss takes into account when during the Class Period the Class Member purchased Motorola Securities, which Motorola Security was purchased, and when (if at all) the Class Member sold Motorola Securities during or after the Class Period.
3. Lead Plaintiff calculated the inflation in price of each Motorola Security during different parts of the Class Period as follows:
 - a. Lead Plaintiff’s accounting expert calculated the profits reported by Motorola attributable to Telsim for each of the four quarters of 2000, as reported in Motorola’s quarterly earnings press releases dated April 10, 2000, July 12, 2000, October 10, 2000, and January 10, 2001.
 - b. Lead Plaintiff’s damages expert calculated the amount by which each Motorola Security was inflated as a result of the Telsim-related profits reported in Motorola’s quarterly earnings press release.
 - c. Lead Plaintiff’s damages expert also calculated the reduction in inflation per security caused by disclosure to investors of new adverse information concerning Motorola’s relationship with Telsim on February 23, 2001, April 6, 2001, May 14, 2001, and June 18, 2001.
4. The amount of inflation per security differed between the common stock and the registered bonds, and among the registered bonds, because of differences in maturity, in seniority, in coupon rate, and various other distinguishing features.
5. The following chart reflects Lead Plaintiff’s calculation of inflation per security at different times during the Class Period based on Lead Plaintiff’s accounting and damages experts’ analyses:

Lead Plaintiff’s Contention of Inflation Per Security (in dollars)

	Purchase Date							
	2/3/00 to 4/10/00	4/11/00 to 7/12/00	7/13/00 to 10/10/00	10/11/00 to 1/10/01	1/11/01 to 2/22/01	2/23/01 to 4/5/01	4/6/01 to 5/14/01	5/15/01 to 6/18/01
Common Stock	\$1.56	\$1.93	\$3.84	\$3.12	\$5.04	\$4.12	\$1.58	\$0.83
6.5% March 2008 Note	\$2.39	\$2.96	\$5.89	\$4.78	\$7.74	\$4.29	\$0.00	\$0.00
5.8% October 2008 Note	\$2.51	\$3.10	\$6.18	\$5.02	\$8.12	\$4.20	\$0.00	\$0.00
6.5% September 2025 Bond	\$0.52	\$0.65	\$1.29	\$1.04	\$1.69	\$0.00	\$0.00	\$0.00
6.5% November 2028 Debenture	\$5.40	\$6.67	\$13.29	\$10.79	\$17.46	\$11.37	\$0.42	\$0.42
8.4% August 2031 Debenture	\$2.46	\$3.04	\$6.05	\$4.91	\$7.95	\$0.00	\$0.00	\$0.00

6. The District Court, in its February 8, 2007 Opinion and Order granting in part, and denying in part, Defendants’ motion for summary judgment, held that all of Lead Plaintiff’s contentions on loss causation and damages raised triable issues for the jury, other than its contentions with regard to Defendants’ February 23, 2001 press release. The Court held as to that press release that there was insufficient evidence for the jury to find that the February 23, 2001 press release related to Telsim. Although the Court’s Opinion and Order with respect to Motorola’s February 23, 2001 press release was dispositive with respect to the issues at trial, Lead Plaintiff reserved the right to appeal that decision to the Seventh Circuit Court of Appeals at the conclusion of the trial.

Given the relative unlikelihood of Lead Plaintiff’s success on any such appeal, and the risk of being able to prove those claims at a subsequent trial of this Action, Lead Plaintiff has discounted any claims related to a decline in the inflation per security occurring on February 23, 2001 by 90%.

7. The amount of a Recognized Loss will depend on when the Class Member purchased and sold Motorola Securities. Because Lead Plaintiff’s damage expert concluded that the first corrective disclosure concerning Telsim that caused Motorola Securities’ prices to decline was on February 23, 2001, all Class Members who both purchased and sold Motorola Securities before February 23, 2001 will have a Recognized Loss of zero. For those Class Members who purchased before and sold on or after February 23, 2001, their Recognized Loss shall be the difference between the Inflation Per Security on

the Date of Purchase and the Inflation Per Security on the Date of Sale. However, because the District Court dismissed Lead Plaintiff's claims based on the February 23, 2001 price declines, the calculation of Recognized Loss based on the security price decline caused by the February 23, 2001 press release shall be equal to 10% of the security price decline attributed by Lead Plaintiff to the February 23, 2001 press release. The following chart reflects how Recognized Loss will be calculated (subject to restrictions based on overall gains or losses in trading in Motorola Securities during the Class Period referenced in Paragraphs 12-14 below).

Common Stock (per share)						
		Date of Sale				
	Date of Purchase	2/3/00 to 2/22/01	2/23/01 to 4/5/01	4/6/01 to 5/14/01	5/15/01 to 6/18/01	After 6/18/01 (or still holding)
	2/3/00 to 4/10/00	\$0.00	\$0.00	\$0.00	\$0.73	\$1.56
	4/11/00 to 7/12/00	\$0.00	\$0.00	\$0.35	\$1.10	\$1.93
	7/13/00 to 10/10/00	\$0.00	\$0.00	\$2.26	\$3.01	\$3.84
	10/11/00 to 1/10/01	\$0.00	\$0.00	\$1.54	\$2.29	\$3.12
	1/11/01 to 2/22/01	\$0.00	\$0.09	\$2.63	\$3.38	\$4.21
	2/23/01 to 4/5/01	N/A	\$0.00	\$2.54	\$3.29	\$4.12
	4/6/01 to 5/14/01	N/A	N/A	\$0.00	\$0.75	\$1.58

6.5% March 2008 Note (per \$100 of Face Value)						
		Date of Sale				
	Date of Purchase	2/3/00 to 2/22/01	2/23/01 to 4/5/01	4/6/01 to 5/14/01	5/15/01 to 6/18/01	After 6/18/01 (or still holding)
	2/3/00 to 4/10/00	\$0.00	\$0.00	\$2.39	\$2.39	\$2.39
	4/11/00 to 7/12/00	\$0.00	\$0.00	\$2.96	\$2.96	\$2.96
	7/13/00 to 10/10/00	\$0.00	\$0.16	\$4.45	\$4.45	\$4.45
	10/11/00 to 1/10/01	\$0.00	\$0.05	\$4.34	\$4.34	\$4.34
	1/11/01 to 2/22/01	\$0.00	\$0.35	\$4.64	\$4.64	\$4.64
	2/23/01 to 4/5/01	\$0.00	\$0.00	\$4.29	\$4.29	\$4.29
	4/6/01 to 5/14/01	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

5.8% October 2008 Note (per \$100 of Face Value)						
		Date of Sale				
	Date of Purchase	2/3/00 to 2/22/01	2/23/01 to 4/5/01	4/6/01 to 5/14/01	5/15/01 to 6/18/01	After 6/18/01 (or still holding)
	2/3/00 to 4/10/00	\$0.00	\$0.00	\$2.51	\$2.51	\$2.51
	4/11/00 to 7/12/00	\$0.00	\$0.00	\$3.10	\$3.10	\$3.10
	7/13/00 to 10/10/00	\$0.00	\$0.20	\$4.40	\$4.40	\$4.40
	10/11/00 to 1/10/01	\$0.00	\$0.08	\$4.28	\$4.28	\$4.28
	1/11/01 to 2/22/01	\$0.00	\$0.39	\$4.59	\$4.59	\$4.59
	2/23/01 to 4/5/01	N/A	\$0.00	\$4.20	\$4.20	\$4.20
	4/6/01 to 5/14/01	N/A	N/A	\$0.00	\$0.00	\$0.00

6.5% September 2025 Bond (per \$100 of Face Value)						
		Date of Sale				
	Date of Purchase	2/3/00 to 2/22/01	2/23/01 to 4/5/01	4/6/01 to 5/14/01	5/15/01 to 6/18/01	After 6/18/01 (or still holding)
	2/3/00 to 4/10/00	\$0.00	\$0.05	\$0.05	\$0.05	\$0.05
	4/11/00 to 7/12/00	\$0.00	\$0.06	\$0.06	\$0.06	\$0.06
	7/13/00 to 10/10/00	\$0.00	\$0.13	\$0.13	\$0.13	\$0.13
	10/11/00 to 1/10/01	\$0.00	\$0.10	\$0.10	\$0.10	\$0.10
	1/11/01 to 2/22/01	\$0.00	\$0.17	\$0.17	\$0.17	\$0.17
	2/23/01 to 4/5/01	N/A	\$0.00	\$0.00	\$0.00	\$0.00
	4/6/01 to 5/14/01	N/A	N/A	\$0.00	\$0.00	\$0.00

6.5% November 2028 Debenture (per \$100 of Face Value)						
		Date of Sale				
	Date of Purchase	2/3/00 to 2/22/01	2/23/01 to 4/5/01	4/6/01 to 5/14/01	5/15/01 to 6/18/01	After 6/18/01 (or still holding)
	2/3/00 to 4/10/00	\$0.00	\$0.00	\$4.98	\$4.98	\$5.40
	4/11/00 to 7/12/00	\$0.00	\$0.00	\$6.25	\$6.25	\$6.67
	7/13/00 to 10/10/00	\$0.00	\$0.19	\$11.14	\$11.14	\$11.56
	10/11/00 to 1/10/01	\$0.00	\$0.00	\$10.37	\$10.37	\$10.79
	1/11/01 to 2/22/01	\$0.00	\$0.61	\$11.56	\$11.56	\$11.98
	2/23/01 to 4/5/01	N/A	\$0.00	\$10.95	\$10.95	\$11.37
	4/6/01 to 5/14/01	N/A	N/A	\$0.00	\$0.00	\$0.42

8.4% August 2031 Debenture (per \$100 of Face Value)						
		Date of Sale				
	Date of Purchase	2/3/00 to 2/22/01	2/23/01 to 4/5/01	4/6/01 to 5/14/01	5/15/01 to 6/18/01	After 6/18/01 (or still holding)
	2/3/00 to 4/10/00	\$0.00	\$0.25	\$0.25	\$0.25	\$0.25
	4/11/00 to 7/12/00	\$0.00	\$0.30	\$0.30	\$0.30	\$0.30
	7/13/00 to 10/10/00	\$0.00	\$0.61	\$0.61	\$0.61	\$0.61
	10/11/00 to 1/10/01	\$0.00	\$0.49	\$0.49	\$0.49	\$0.49
	1/11/01 to 2/22/01	\$0.00	\$0.80	\$0.80	\$0.80	\$0.80
	2/23/01 to 4/5/01	N/A	\$0.00	\$0.00	\$0.00	\$0.00
	4/6/01 to 5/14/01	N/A	N/A	\$0.00	\$0.00	\$0.00

8. In the event a Class Member has more than one purchase or sale of Motorola Securities, all purchases and sales of the same category of security (e.g., common stock or class of bonds) shall be matched on a First In First Out (FIFO) basis, meaning that Class Period sales will be matched first against any Motorola Securities held at the beginning of the Class Period and then against purchases in chronological order.

9. A purchase or sale of Motorola Securities shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date.

10. The receipt or grant by gift, devise or operation of law of Motorola Securities during the Class Period shall not be deemed a purchase or sale of Motorola Securities for the calculation of an Authorized Claimant's Recognized Loss nor shall it be deemed an assignment of any claim relating to the purchase of such securities. The grantor of the gift or devise, who purchased Motorola Securities during the Class Period, shall retain the right to file a claim in this action unless that right to file a claim was specifically transferred in the instrument of gift or assignment.

11. The receipt of Motorola Securities during the Class Period in exchange for securities of any other corporation or entity shall not be deemed a purchase or sale of Motorola Securities.

12. To the extent a Claimant had an overall gain from transactions in Motorola Securities during the Class Period (under FIFO), the value of the Recognized Loss will be zero.

13. To the extent that a Claimant suffered an overall loss on transactions in Motorola Securities during the Class Period (under FIFO), but that loss was less than the Recognized Loss calculated above, then the Recognized Loss shall be limited to the amount of the actual loss.

14. An Authorized Claimant, who purchased Motorola Securities during the Class Period and sold those securities either during the Class Period or during the 90-day period immediately subsequent to the Class Period, shall be determined to have an overall gain from transactions in Motorola Securities during the Class Period, or to have suffered a loss, by calculating: (i) the total amount paid for all Motorola Securities during the Class Period (the “Total Purchase Amount”); (ii) matching any sale of Motorola Securities during the Class Period first against the Authorized Claimant's opening position in that or those security(ies) (the proceeds of those sales will not be considered for purposes of calculating gains or losses); and (iii) the total amount received from sales of the remaining shares of Motorola Securities sold during the Class Period or during the 90-day period immediately after the Class Period (the “Sales Proceeds”).¹ The difference between Sales Proceeds and the Total Purchase Amount shall be deemed an Authorized Claimant's overall gain (if greater than zero) or loss (if less than zero) on transactions in Motorola Securities during the Class Period.

15. No Authorized Claimant whose proportionate share of the Net Settlement Fund is less than \$10.00 shall receive a distribution from the Net Settlement Fund. Rather, that Claimant's proportionate share of the Net Settlement Fund shall be redistributed among all remaining Authorized Claimants.

16. Class Members who do not submit acceptable Proofs of Claim will not share in the settlement proceeds. Class Members who did not submit a request for exclusion and do not submit an acceptable Proof of Claim by the deadline for submitting claims, will nevertheless be bound by the settlement and the Order and Final Judgment of the Court dismissing this Action.

17. Distributions will be made to Authorized Claimants after all claims have been processed and after the Court has finally approved the settlement. If any funds remain in the Net Settlement Fund by reason of the uncashed checks or otherwise, then, after the Claims Administrator has made reasonable and diligent efforts to have Class Members who are entitled to participate in the distribution of the Net Settlement Fund cash their distributions, any balance remaining in the Net Settlement Fund nine months after the initial distribution of such funds shall be redistributed to Class Members who have cashed their initial distributions and who would receive an amount no less than \$10.00 from such redistribution. If six months after such redistribution any funds shall remain in the Net Settlement Fund, then such balance shall be contributed to one or more non-sectarian, not-for-profit, 501(c)(3) organization(s) to be designated by the Court.

¹ The Private Securities Litigation Reform Act of 1995, 15 U.S.C. § 21D(e), requires that sales of securities within the 90-day period after the end of the Class Period be considered in the calculation of recoverable damages.