

MOTOROLA INC
Form DEF 14A
March 10, 2006

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No. 1)

Filed by the Registrant
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

Motorola, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

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2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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Proxy Statement

PRINCIPAL EXECUTIVE OFFICES:
1303 East Algonquin Road
Schaumburg, Illinois 60196

PLACE OF MEETING:
Rosemont Theater
5400 N. River Road
Rosemont, Illinois 60018

March 10, 2006

NOTICE OF 2006 ANNUAL MEETING OF STOCKHOLDERS

To our Stockholders:

Our Annual Meeting will be held at the Rosemont Theater, 5400 N. River Road, Rosemont, Illinois 60018 on Monday, May 1, 2006 at 5:00 P.M., local time.

The purpose of the meeting is to:

1. elect directors for the next year;
2. consider and vote upon the adoption of the Motorola Omnibus Incentive Plan of 2006;
3. consider and vote upon one shareholder proposal, if properly presented at the meeting; and
4. act upon such other matters as may properly come before the meeting.

Only Motorola stockholders of record at the close of business on March 3, 2006 will be entitled to vote at the meeting. Please vote in one of the following ways:

use the toll-free telephone number shown on your proxy card;

visit the website shown on your proxy card to vote via the Internet; or

mark, sign, date and return the enclosed proxy card in the enclosed postage-paid envelope.

PLEASE NOTE THAT ATTENDANCE AT THE MEETING WILL BE LIMITED TO STOCKHOLDERS OF MOTOROLA AS OF THE RECORD DATE (OR THEIR AUTHORIZED REPRESENTATIVES) HOLDING ADMISSION TICKETS OR OTHER EVIDENCE OF OWNERSHIP. THE ADMISSION TICKET IS DETACHABLE FROM YOUR PROXY CARD. IF YOUR SHARES ARE HELD BY A BANK OR BROKER, PLEASE BRING TO THE MEETING YOUR BANK OR BROKER STATEMENT EVIDENCING YOUR BENEFICIAL OWNERSHIP OF MOTOROLA STOCK TO GAIN ADMISSION TO THE MEETING.

By order of the Board of Directors,

A. Peter Lawson
Secretary

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March 10, 2006

Fellow Stockholders:

You are cordially invited to attend Motorola's 2006 Annual Stockholders Meeting. The meeting will be held on Monday, May 1, 2006 at 5:00 p.m., local time at the Rosemont Theater, 5400 N. River Road Rosemont, IL 60018.

2005 was a great year for Motorola in which we achieved record results. We generated operating cash flow of \$4.6 billion, achieved record sales of \$36.8 billion up 18 percent as compared to 2004 and solidified our position in the wireless handset industry with an estimated 18 percent global market share. Our balance sheet, with more than \$10.5 billion in net cash, is the strongest it has been in Motorola's history. Importantly, we significantly advanced Motorola's vision of Seamless Mobility, extended our design leadership and launched innovative new products, led by the iconic RAZR V3, and solutions that delighted our customers. Motorola is poised for continued growth and success with an unrivaled portfolio of products and technologies in our Mobile Devices, Government and Enterprise Mobility Solutions, Networks and Connected Home Solutions segments.

During the year, Motorola was awarded the National Medal of Technology for its outstanding contributions to America's technological innovation and competitiveness over its more than 75-year history. The National Medal of Technology, established in 1980 by an act of Congress, is the highest honor awarded by the President to America's leading innovators. The award recognizes that since its founding in 1928, Motorola has stood on the cutting edge of innovation in areas such as two-way radios, cellular communication, paging, space flight communication, semiconductors and integrated, digital enhanced networks. As a result, the company has helped establish entirely new industries and driven the phenomenal growth of portable and mobile communications. Every Motorola employee is honored by this award.

At this year's Annual Meeting, in addition to electing the 12 members of our Board of Directors, we are asking our shareholders to approve the Motorola Omnibus Incentive Plan of 2006. The updated plan is an important part of our effort to recruit, motivate and retain world-class employees. The proposal is discussed in greater detail in the enclosed Proxy Statement.

I encourage each of you to vote your shares through one of the three convenient methods described in the enclosed proxy statement, and if your schedule permits, to attend the meeting. I would appreciate your support of the nominated directors and the Motorola Omnibus Incentive Plan of 2006. As always, I thank you for your continued support of Motorola.

Edward J. Zander
Chairman and CEO,
Motorola, Inc.

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PROXY STATEMENT

VOTING PROCEDURES

The Board of Directors is soliciting proxies to be used at the May 1, 2006 Annual Meeting of Stockholders. Your vote is very important. This proxy statement, the form of proxy and the 2005 Annual Report will be mailed to stockholders on or about March 15, 2006. The proxy statement and Annual Report are also available on the Company's website at www.motorola.com/investor.

Who Is Entitled to Vote?

Only stockholders of record at the close of business on March 3, 2006 (the record date) will be entitled to notice of, and to vote at, the Annual Meeting or any adjournments thereof. On that date, there were issued and outstanding 2,483,557,351 shares of the Company's common stock, \$3 par value per share (Common Stock), the only class of voting securities of the Company.

A list of stockholders entitled to vote at the meeting will be available for examination at Motorola's Galvin Center, 1297 East Algonquin Road, Schaumburg, Illinois 60196 for ten days before the 2006 Annual Meeting and at the Annual Meeting.

How Can I Vote?

There are three convenient voting methods:

Voting by Telephone. You can vote your shares by telephone by calling the toll-free telephone number on your proxy card. The deadline for telephone voting is 11:59 p.m., Eastern time on Sunday, April 30, 2006. Telephone voting is available 24 hours a day. If you vote by telephone you should NOT return your proxy card. If you are a beneficial owner, or you hold your shares in street name, please check your voting instruction card or contact your broker or nominee to determine whether you will be able to vote by telephone.

Voting by Internet. You can also vote via the Internet. The website address for Internet voting is also on your proxy card. The deadline for Internet voting is 11:59 p.m., Eastern time on Sunday, April 30, 2006. Internet voting also is available 24 hours a day. If you vote via the Internet you should NOT return your proxy card. If you are a beneficial owner, or you hold your shares in street name, please check your voting instruction card or contact your broker or nominee to determine whether you will be able to vote by Internet.

Voting by Mail. If you choose to vote by mail, mark your proxy, date and sign it, and return it in the postage-paid envelope provided. To ensure your vote is counted, receipt of your mailed proxy is needed by Saturday, April 29, 2006.

How Can I Change My Vote?

You can revoke your proxy at any time before it is voted at the 2006 Annual Meeting by either:

Sending written notice of revocation to the Secretary, Motorola, Inc., 1303 East Algonquin Road, Schaumburg, Illinois 60196;

Submitting another timely proxy by telephone, Internet or paper ballot; or

Attending the 2006 Annual Meeting and voting in person. If your shares are held in the name of a bank, broker or other holder of record, you must obtain a proxy, executed in your favor, from the holder of record to be able to vote at the meeting.

How Many Votes Must be Present to Conduct Business at the Meeting?

In order for business to be conducted, a quorum must be represented at the Annual Meeting. A quorum is a majority of the shares entitled to vote at the Annual Meeting. Shares represented by a proxy marked "abstain" or a proxy as to which there is a "broker non-vote" will be considered present at the meeting for purposes of determining a quorum.

How Many Votes Am I Entitled to Cast?

You are entitled to cast one vote for each share of Common Stock you own on the record date. Stockholders do not have the right to vote cumulatively in electing directors.

How Many Votes Are Required to Elect Directors?

In February 2006, Motorola's Board of Directors amended the Company's bylaws and Board Governance Guidelines to adopt a majority vote standard for non-contested director elections. These actions reflect Motorola's dedication to maintaining the highest quality corporate governance practices and commitment to address stockholder concerns. Because the number of nominees properly nominated for the 2006 Annual Meeting is the same as the number of directors to be elected at the 2006 Annual Meeting, the 2006 election of directors is a non-contested election.

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PROXY STATEMENT

To be elected in a non-contested election, a director nominee must receive more For votes than Against votes. Abstentions and broker non-votes will have no effect on the director election since only votes For and Against a nominee will be counted.

What Happens if an Incumbent Director Nominee Does Not Receive More For Votes than Against Votes?

Motorola is a Delaware corporation and, under Delaware law, if an incumbent director is not elected, that director continues to serve as a holdover director until the director's successor is duly elected and qualified. To address this potential outcome, in February 2006 the Board also adopted a director resignation policy in the Company's bylaws and Board Governance Guidelines.

Under this policy, if the votes cast For an incumbent director nominee do not exceed the votes cast Against that director, such incumbent director shall promptly tender his or her resignation to the Chairman of the Board. The Governance and Nominating Committee will review the circumstances surrounding the Against vote and promptly recommend to the Board whether to accept or reject the tendered resignation. In making this recommendation, the Committee will consider various factors, such as listing standard compliance, qualifications, contributions, length of service and underlying reasons for the vote. The Board will publicly disclose its decision, and the rationale behind it, within 90 days following certification of the stockholder vote.

How Many Votes Are Required to Adopt the Motorola Omnibus Incentive Plan of 2006?

In order to adopt the Motorola Omnibus Incentive Plan of 2006, an affirmative vote of a majority of the shares present in person or by proxy and entitled to vote at the Annual Meeting is required. For this proposal, an abstention will have the same effect as a vote Against the proposal. Broker non-votes will not be voted for or against this proposal and will have no effect on this proposal.

How Many Votes Are Required to Pass the Shareholder Resolution?

In order to recommend that the Board consider adoption of the shareholder proposal, an affirmative vote of a majority of the shares present in person or by proxy and entitled to vote at the Annual Meeting is required. For the shareholder proposal, an abstention will have the same effect as a vote against the proposal. Broker non-votes will not be voted for or against the proposal and will have no effect on the proposal.

Will My Shares be Voted if I Do Not Provide Instructions to My Broker?

If you are the beneficial owner of shares held in street name by a broker, the broker, as the record holder of the shares, is required to vote those shares in accordance with your instructions. If you do not give instructions to the broker, the broker will be entitled to vote the shares with respect to discretionary items but will not be permitted to vote the shares with respect to non-discretionary items (those shares are treated as broker non-votes). The election of directors is a discretionary item. The adoption of the Motorola Omnibus Incentive Plan of 2006 and the shareholder proposal are non-discretionary items.

What if I Return My Proxy Card But Do Not Give Voting Instructions?

All shares that have been properly voted whether by telephone, Internet or mail and not revoked will be voted at the Annual Meeting in accordance with your instructions. If you sign your proxy card but do not give voting instructions, the shares represented by that proxy will be voted as recommended by the Board of Directors. The Board of Directors recommends a vote For the election of all director nominees, For the adoption of the Motorola Omnibus Incentive Plan of 2006 and Against the shareholder proposal.

What if Other Matters Are Voted on at the Annual Meeting?

If any other matters are properly presented at the Annual Meeting for consideration, the persons named as proxies in the enclosed proxy card will have the discretion to vote on those matters for you. At the date we filed this proxy statement with the Securities and Exchange Commission, the Board of Directors did not know of any other matter to be raised at the Annual Meeting.

How Do I Vote if I Participate in the Company's 401(k) Plan?

If a stockholder owns shares of Common Stock through the Motorola 401(k) Plan (the 401(k) Plan), the proxy card also will serve as a voting instruction for the trustees of that plan where all accounts are registered in the same

name. If shares of Common Stock in the 401(k) Plan are not voted either by telephone, via the Internet, or by returning the proxy card representing such shares, those shares will be voted by the trustees in the same proportion as the shares properly voted by other participants owning shares of Common Stock in the 401(k) Plan.

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PROPOSAL 1**ELECTION OF DIRECTORS FOR A ONE-YEAR TERM****How Many Directors Are Standing For Election and For What Term?**

The number of directors of the Company to be elected at the 2006 Annual Meeting is 12. The directors elected at the 2006 Annual Meeting will serve until their respective successors are elected and qualified or until their earlier death or resignation.

NOMINEES**Who Are the Nominees?**

Each of the nominees named below is currently a director of the Company and each was elected at the Annual Meeting of Stockholders held on May 2, 2005, except for Mr. Miles White who is standing for election for the first time. Mr. Massey is not standing for re-election. The ages shown are as of January 1, 2006.

EDWARD J. ZANDER, Principal Occupation: Chairman of the Board and Chief Executive Officer, Motorola, Inc.

Director since 2004 Age 58

Mr. Zander joined Motorola in January 2004 as Chairman and Chief Executive Officer. Prior to joining Motorola, Mr. Zander was a managing director of Silver Lake Partners, a leading private equity fund focused on investments in technology industries. Prior to holding that position, Mr. Zander was President and COO of Sun Microsystems, Inc., a leading provider of hardware, software and services for networks, from January 1998 until June 2002. Mr. Zander serves as Chairman of the Technology CEO Council and on the board of directors of several educational and non-profit organizations. He serves as a member of the Dean's Advisory Council of the School of Management at Boston University and as Presidential Advisor at Rensselaer Polytechnic Institute. Mr. Zander received a Bachelor of Science degree in electrical engineering from Rensselaer Polytechnic Institute and a Master of Business Administration from Boston University.

H. LAURANCE FULLER, Principal Occupation: Retired; Formerly Co-Chairman of the Board, BP Amoco, p.l.c.

Director since 1994 Age 67

Mr. Fuller retired as Co-Chairman of BP Amoco, p.l.c., an energy company, in March 2000. Prior to holding that position, he had served as Chairman and Chief Executive Officer of Amoco Corporation since 1991. He is also a director of Abbott Laboratories, Cabot Microelectronics Corporation and Verde Group. Mr. Fuller graduated from Cornell University with a B.S. degree in chemical engineering and earned a J.D. degree from DePaul University Law School.

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JUDY C. LEWENT, Principal Occupation: Executive Vice President & Chief Financial Officer, Merck & Co., Inc.

Director since 1995 Age 56

Ms. Lewent has been Chief Financial Officer of Merck & Co., Inc., a pharmaceutical company, since 1990, and in addition, Executive Vice President of Merck since February 2001. She had additional responsibilities as President, Human Health Asia from January 2003 until July 2005, when she assumed strategic planning responsibilities for Merck. Ms. Lewent is also a director of Dell Inc. She serves as a trustee of the Rockefeller Family Trust and is a life member of the Massachusetts Institute of Technology Corporation. Ms. Lewent is a member of the PENN Medicine Board (University of Pennsylvania Health System and School of Medicine) and the American Academy of Arts & Sciences. She received a B.S. degree from Goucher College and an M.S. degree from the MIT Sloan School of Management.

THOMAS J. MEREDITH, Principal Occupation: General Partner and Co-Founder, Meritage Capital, L.P. and Chief Executive Officer, MFI Capital

Director Since 2005 Age 54

Mr. Meredith is currently a general partner of Meritage Capital, L.P., an investment management firm specializing in multi-manager hedge funds that he co-founded. He is also chief executive officer of MFI Capital. Previously, he was the Managing Director of Dell Ventures and Senior Vice President, Business Development and Strategy of Dell Inc., a computer manufacturer, from 2000 until 2001, and was Chief Financial Officer of Dell Inc. from 1992 until 2000. Mr. Meredith is also a director of Motive and VoxPath Networks, is an adjunct professor at the McCombs School of Business at the University of Texas, and serves on the advisory board of the Wharton School at the University of Pennsylvania. Mr. Meredith received a Bachelor of Science degree in Political Science from St. Francis University, a J.D. degree from Duquesne University and an LL.M. degree in Taxation from Georgetown University.

NICHOLAS NEGROPONTE, Principal Occupation: Chairman Emeritus of the Media Laboratory at the Massachusetts Institute of Technology

Director since 1996 Age 62

Mr. Negroponte is a co-founder and chairman emeritus of the Massachusetts Institute of Technology Media Laboratory, an interdisciplinary, multi-million dollar research center focusing on the study and experimentation of future forms of human and machine communication. He founded MIT's pioneering Architecture Machine Group, a combination lab and think tank responsible for many radically new approaches to the human-computer interface. He joined the MIT faculty in 1966 and became a full professor in 1980. Mr. Negroponte is also founder and chairman of One Laptop Per Child (OLPC), a non-profit organization created to design, manufacture and distribute laptops that are sufficiently inexpensive to provide every child in the world access to knowledge and modern forms of education.

Mr. Negroponte received a B.A. and M.A. in Architecture from Massachusetts

INDRA K. NOOYI, Principal Occupation: President and Chief Financial Officer, PepsiCo, Inc.*Director since 2002 Age 50*

Ms. Nooyi is President & Chief Financial Officer of PepsiCo, Inc., a world leader in convenient foods and beverages. She joined PepsiCo in 1994 as Senior Vice President of Strategic Planning, and she became Chief Financial Officer in 2000. Ms. Nooyi also serves on the Board of Directors of PepsiCo, Inc. and the PepsiCo Foundation. She serves as Successor Fellow at Yale Corporation and is on the advisory boards of the Yale University President's Council of International Activities, Yale School of Management, PlaNet Finance, and Breast Cancer Alliance, Inc. She is a member of the Board of the International Rescue Committee and Lincoln Center for the Performing Arts in New York City, serves as a trustee of the Asia Society and Eisenhower Fellowships and is a member of the Executive Committee for the Trilateral Commission. Ms. Nooyi graduated from Madras Christian College in India with a degree in Chemistry, Physics and Math and earned a Master's Degree in Finance and Marketing from the Indian Institute of Management in Calcutta and a Master's Degree in Public and Private Management from Yale's University School of Organization and Management.

SAMUEL C. SCOTT III, Principal Occupation: Chairman, President and Chief Executive Officer, Corn Products International*Director since 1993 Age 61*

Mr. Scott is Chairman, President and Chief Executive Officer of Corn Products International, a corn refining business. He was President of the Corn Refining Division of CPC International from 1995 through 1997, when CPC International spun off Corn Products International as a separate corporation. Mr. Scott serves on the Board of Directors of Bank of New York, Inroads/Chicago, Accion USA and the Chicago Council on Foreign Relations. He also serves as a Trustee of The Conference Board. Mr. Scott graduated from Fairleigh Dickinson University with a bachelor's degree in engineering in 1966 and an M.B.A. in 1973.

RON SOMMER, Principal Occupation: Retired; Formerly Chairman of the Board of Management, Deutsche Telekom AG*Director Since 2004 Age 56*

Mr. Sommer was Chairman of the Board of Management of Deutsche Telekom AG, a telecommunication company, from May 1995 until he retired in July 2002. He is also a director of Muenchener Rueckversicherung, Celanese and AFK Sistema. He is Chairman of the Advisory Board of AFK Sistema and a Member of the International Advisory Board of The Blackstone Group. Mr. Sommer received a Ph.D. degree in Mathematics from the University of Vienna, Austria.

JAMES R. STENGEL, Principal Occupation: Global Marketing Officer, Procter & Gamble Company*Director Since 2005 Age 50*

Mr. Stengel is currently the Global Marketing Officer of Procter & Gamble

Company, a consumer products company. He joined Procter & Gamble in 1983, where he recently served as Vice President-Global Baby Care Strategic Planning, Marketing and New Business Development from May 2000 until August 2001, when he became Global Marketing Officer. Mr. Stengel serves as chairman of the Association of National Advertisers. He is also on the Seven Hills School Board of Trustees and United Way, Alexis de Toqueville Society. Mr. Stengel received a B.A. degree from Franklin & Marshall College and an M.B.A. from Pennsylvania State University.

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DOUGLAS A. WARNER III, Principal Occupation: Retired; Formerly Chairman of the Board, J.P. Morgan Chase & Co.

Director since 2002 Age 59

Mr. Warner was Chairman of the Board and Co-Chairman of the Executive Committee of J.P. Morgan Chase & Co., an international commercial and investment banking firm, from December 2000 until he retired in November 2001. From 1995 to 2000, he was Chairman of the Board, President and Chief Executive Officer of J.P. Morgan & Co. He is also a director of Anheuser-Busch Companies, Inc. and General Electric Company. He is on the Board of Counselors of the Bechtel Group Inc. and is a member of The Business Council. He is chairman of the Board of Managers and the Board of Overseers of Memorial Sloan-Kettering Cancer Center. Mr. Warner is a trustee of the Pierpont Morgan Library and a member of the Yale Investment Committee. Mr. Warner received a B.A. degree from Yale University.

DR. JOHN A. WHITE, Principal Occupation: Chancellor, University of Arkansas

Director since 1995 Age 66

Dr. White is currently Chancellor of the University of Arkansas. Dr. White served as Dean of Engineering at Georgia Institute of Technology from 1991 to early 1997, having been a member of the faculty since 1975. He is also a director of J.B. Hunt Transport Services, Inc., Logility, Inc. and Russell Corporation. Dr. White received a B.S.I.E. from the University of Arkansas, a M.S.I.E. from Virginia Polytechnic Institute and State University and a Ph.D. from The Ohio State University.

MILES D. WHITE, Principal Occupation: Chairman of the Board and Chief Executive Officer, Abbott Laboratories

Director since 2005 Age 50

Mr. White has been Chairman of the Board and Chief Executive Officer of Abbott Laboratories, a pharmaceuticals and biotechnology company, since 1999. He served as an Executive Vice President of Abbott from 1998 to 1999, as Senior Vice President, Diagnostics Operations from 1994 to 1998, and as Vice President, Diagnostics Systems Operations from 1993 to 1994. Mr. White joined Abbott in 1984. He received both his bachelor's degree in mechanical engineering and M.B.A. degree from Stanford University. He is also a director of Tribune Company. He also serves on the board of trustees of The Culver Educational Foundation, The Field Museum in Chicago and Northwestern University and is chairman of the board of the Federal Reserve Bank of Chicago.

RECOMMENDATION OF THE BOARD

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF THE NOMINEES NAMED HEREIN AS DIRECTORS. UNLESS INDICATED OTHERWISE BY YOUR PROXY VOTE, THE SHARES WILL BE VOTED FOR THE ELECTION AS DIRECTORS OF SUCH NOMINEES.

What if a Nominee is Unable to Serve as Director?

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If any of the nominees named below is not available to serve as a director at the time of the 2006 Annual Meeting (an event which the Board does not now anticipate), the proxies will be voted for the election as director of such other person or persons as the Board may designate, unless the Board, in its discretion, reduces the number of directors.

CORPORATE GOVERNANCE MATTERS**What Are the Board's Corporate Governance Principles?**

The Board has long adhered to governance principles designed to assure the continued vitality of the Board and excellence in the execution of its duties. The Board has responsibility for management oversight and providing strategic guidance to the Company. In order to do that effectively, the Board believes it should be comprised of individuals with appropriate skills and experiences to contribute effectively to this dynamic process. The Board is currently highly diversified; it is comprised of active and former CEOs and CFOs of major corporations and individuals with experience in high-tech fields, government and academia. The Board believes that it must continue to renew itself to ensure that its members understand the industries and the markets in which the Company operates. The Board also believes that it must be informed about the positive and negative issues, problems and challenges facing Motorola and its industries and markets so that the members can exercise their fiduciary responsibilities to stockholders.

Which Directors Are Independent?

On February 23, 2006, the Board made the determination, based on the recommendation of the Governance and Nominating Committee and in accordance with the Motorola, Inc. Director Independence Guidelines, that Mr. Fuller, Ms. Lewent, Mr. Massey, Mr. Meredith, Mr. Negroponte, Ms. Nooyi, Mr. Scott, Mr. Sommer, Mr. Stengel, Mr. Warner, Mr. J. White and Mr. M. White are independent. Mr. Zander does not qualify as an independent director since he is an employee of the Company.

How Was Independence Determined?

The Motorola, Inc. Director Independence Guidelines include the NYSE independence standards and categorical standards the Board uses in determining if a relationship that a Board member has with the Company is material. The categorical standards adopted by the Board are as follows:

Contributions or payments (including the provision of goods or services) from Motorola to a charitable organization (including a foundation), a university, or other not-for-profit organization, of which a director or an immediate family member of a director (defined to include a director's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law and anyone (other than domestic employees) who shares the director's home) is an officer, director, trustee or employee, will not impair independence unless the following are applicable: the contribution or payment (excluding Motorola matches of charitable contributions made by employees or directors under Motorola's or the Motorola Foundation's matching gift programs):

- (i) is to an entity of which the director or the director's spouse currently is an officer, director or trustee, and such person held such position at the time of the contribution,
- (ii) was made within the previous three years, and
- (iii) was in an amount which, in the entity's last fiscal year prior to the year of the contribution or payment, exceeded the greater of \$300,000 or 5% of such entity's consolidated gross revenues (or equivalent measure).

Indebtedness of Motorola to a bank or similar entity of which a director or a director's immediate family member is a director, officer, employee or 10% Owner will not impair independence unless the following are applicable:

- (i) the director or the director's spouse is an executive officer or an owner who directly or indirectly has a 10% or greater equity or voting interest in an entity (a 10% Owner) of such entity and he or she held that position at any time during the previous twelve months, and
- (ii) the total amount of Motorola's indebtedness during the previous twelve months is more than 5% of the total consolidated assets of such entity in its last fiscal year.

Other business relationships between a director or a director's immediate family member, such as consulting, legal or financial advisory services provided to Motorola, will not impair independence unless the following are applicable:

- (i) the director or the director's spouse is a partner, officer or 10% Owner of the company or firm providing such services, and he or she held such position at any time during the previous twelve months, and
 - (ii) the services that were provided during the previous twelve months were in an amount which, in the company's or firm's last fiscal year, exceeded the greater of
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\$1 million or 2% of such company's or firm's consolidated gross revenues.

This categorical standard does not include business relationships with Motorola's independent registered public accounting firm because those relationships are covered by the NYSE independence standards.

Motorola's ownership of voting stock of a company of which the director or the director's immediate family member is a director, officer, employee or 10% Owner will not impair independence unless the following are applicable:

(i) the director or the director's spouse is an executive officer of that company, and

(ii) Motorola is currently a 10% Owner of that company.

The ownership of Motorola shares by a director or a director's immediate family member will not be considered to be a material relationship which would impair a director's independence.

When applying the NYSE independence standards and the categorical standards set forth above, Motorola includes Motorola, Inc. and any of its subsidiaries, and the Motorola Foundation. A complete copy of the Motorola, Inc. Director Independence Guidelines is available on the Company's website at www.motorola.com/investor.

What is Motorola's Relationship with MIT?

Motorola and the Motorola Foundation have had various commercial and charitable relationships with the Massachusetts Institute of Technology (MIT) and the MIT Media Laboratory. Motorola and the Motorola Foundation made payments to MIT of approximately \$2.5 million in 2005, \$5.5 million in 2004 and \$7.1 million in 2003. Two of our directors are associated with MIT. Nicholas Negroponte is the Chairman Emeritus of the MIT Media Laboratory, an academic and research laboratory at MIT. Judy Lewent is a life member of the MIT Corporation.

The Board has concluded that Mr. Negroponte's and Ms. Lewent's independence is not impaired based upon the criteria set forth in the Motorola Director Independence Guidelines and the nature of the Motorola/ MIT relationship. The Motorola, Inc. Director Independence Guidelines state that a director's independence could be impaired if a payment to a non-profit organization, including universities, was in an amount which, in the recipient organization's last fiscal year, exceeded the greater of \$300,000 or 5% of the recipient organization's consolidated gross revenues (or equivalent measure). For the fiscal year ended June 30, 2005, MIT had total operating revenue (the closest equivalent to consolidated gross revenue) of \$2.03 billion, and five percent of that amount is \$101.5 million. Accordingly, Motorola's and the Motorola Foundation's combined payments and contributions to MIT are significantly less than the \$101.5 million impairment threshold. Our payments in 2004 and 2003 were also significantly less than the 5% threshold. MIT, one of the world's leading research universities in science and technology, has associations with many of the top corporations around the world which, like Motorola, seek the expertise of MIT on a wide variety of matters. Motorola's relationship with MIT advances the Company's business goals. Mr. Negroponte does not direct the relationship nor does he vote as a member of the Motorola Board of Directors to approve MIT relationships.

In reviewing Judy Lewent's independence, the Board considered her position as a life member of the MIT Corporation, the board of trustees of MIT. She is one of about 75 multi-national leaders in higher education, business and industry, science, engineering and other professions who are members of the MIT Corporation. She is also a member of its Executive Committee, which is responsible for general administration and superintendence of the MIT Corporation. Ms. Lewent is not an employee of MIT, does not have direct responsibility or input on the Motorola/ MIT relationship and does not vote as a member of the Motorola Board of Directors to approve the Motorola/ MIT relationship. The Board has also concluded that Ms. Lewent is independent based on the criteria set forth in the Motorola, Inc. Director Independence Guidelines and the nature of Ms. Lewent's service to MIT.

Are the Members of the Audit and Legal, Compensation and Leadership and Governance and Nominating Committees Independent?

Yes. The Board has determined that all of the members of the Audit and Legal Committee, the Compensation and Leadership Committee and the Governance and Nominating Committee are independent within the meaning of the

Motorola, Inc. Director Independence Guidelines and the NYSE listing standards.

Where Can I Receive More Information About Motorola's Corporate Governance Practices?

Motorola maintains a corporate governance page on its website at www.motorola.com/investor that includes information about its corporate

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governance practices. The following documents are currently included on the website:

The Motorola, Inc. Board Governance Guidelines, the current version of which the Board adopted on February 23, 2006

The Motorola, Inc. Director Independence Guidelines, the current version of which the Board adopted on November 15, 2005

The Principles of Conduct for Members of the Motorola, Inc. Board of Directors

The Motorola, Inc. Code of Business Conduct, which applies to all employees

The charters of the Audit and Legal Committee, Compensation and Leadership Committee and Governance and Nominating Committee, the current versions of which the Board adopted on February 13, 2006

The Motorola, Inc. Restated Certificate of Incorporation

The Motorola, Inc. Amended and Restated Bylaws, the current version of which the Board adopted on February 23, 2006

The Company intends to disclose amendments to the above documents or waivers applicable to its directors, chief executive officer, chief financial officer and corporate controller from certain provisions of its ethical policies and standards for directors and its employees, on the Motorola website. The Company will also provide you a printed copy of these documents if you contact Investor Relations, in writing at Motorola, Inc., 1303 E. Algonquin Road, Schaumburg, IL 60196; or by phone at 1-800-262-8509; or by email at investors@motorola.com.

BOARD OF DIRECTORS MATTERS**How Often Did the Board Meet in 2005?**

The Board of Directors is responsible for supervision of the overall affairs of the Company. The Board of Directors held seven meetings during 2005. Overall attendance at Board and committee meetings was 91%. All incumbent directors attended 75% or more of the combined total meetings of the Board and the committees on which they served during 2005, except Mr. Fuller who attended 71% of the meetings.

How Many Directors will Comprise the Board?

The Board of Directors currently is comprised of 13 directors. Following the Annual Meeting, the Board will consist of 12 directors. Mr. Massey is not standing for re-election. In the interim between Annual Meetings, the Board has the authority under the Company's bylaws to increase or decrease the size of the Board and to fill vacancies.

How Many Executive Sessions of the Board Are Held and Who Serves as the Presiding Director?

Independent directors of the Company meet regularly in executive session without management as required by the Motorola, Inc. Board Governance Guidelines. Generally, executive sessions are held in conjunction with regularly-scheduled meetings of the Board of Directors. The Board appointed Mr. Scott its lead director on May 3, 2005. As the lead director, Mr. Scott chairs meetings of the independent directors and serves as liaison with the chairman with respect to matters considered by the independent directors. In 2005, the non-employee members of the Board met in executive session four times.

Will the Directors Attend the Annual Meeting?

Board members are expected to attend the Annual Meeting of stockholders as provided in the Motorola, Inc. Board Governance Guidelines. All of our directors that stood for election at the 2005 Annual Meeting attended that meeting.

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PROXY STATEMENT

What Are the Committees of the Board?

To assist it in carrying out its duties, the Board has delegated certain authority to several committees. The Board currently has the following committees: (1) Audit and Legal, (2) Compensation and Leadership, (3) Governance and Nominating, (4) Technology and Design, (5) Executive, and (6) Finance. Committee membership as of December 31, 2005 and the number of meetings of each committee during 2005 are described below:

	Audit & Legal	Compensation & Leadership	Governance & Nominating	Technology & Design	Executive	Finance
Non-Employee						
Directors						
H. Laurance Fuller	Chair				X	
Judy C. Lewent	X				X	Chair
Walter E. Massey ⁽¹⁾			X	Chair		
Thomas J. Meredith	X					X
Nicholas Negroponte			X	X		
Indra K. Nooyi		X	X			
Samuel C. Scott III		Chair			X	
Ron Sommer		X		X		
James R. Stengel		X		X		
Douglas A. Warner III			Chair		X	X
John A. White	X			X		
Miles D. White	(2)					
Employee Director						
Edward J. Zander					Chair	
Number of Meetings in 2005	10	5	4	3	None	6

(1) Mr. Massey is retiring from the Board effective May 1, 2006.

(2) Mr. M. White was elected to the Board effective October 1, 2005. He became a member of the Audit and Legal Committee on February 13, 2006.

What Are the Functions of the Audit and Legal Committee?

Assist the Board in fulfilling its oversight responsibilities as they relate to the Company's accounting policies, internal controls, disclosure controls and procedures, financial reporting practices and legal and regulatory compliance

Hire the independent registered public accounting firm

Monitor the qualifications, independence and performance of the Company's independent registered public accounting firm and the performance of the internal auditors

Maintain, through regularly scheduled meetings, a line of communication between the Board and the Company's financial management, internal auditors and independent registered public accounting firm

Oversee compliance with the Company's policies for conducting business, including ethical business standards

Prepare the report of the Committee included in this proxy statement

What Are the Functions of the Compensation and Leadership Committee?

Assist the Board in overseeing the management of the Company's human resources including:

compensation and benefits programs

CEO performance and compensation

executive development and succession and diversity efforts

Oversee the evaluation of management

Prepare the report of the Committee on executive officer compensation included in this proxy statement

What Are the Functions of the Governance and Nominating Committee?

Identify individuals qualified to become board members, consistent with the criteria approved by the Board

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PROXY STATEMENT