



Governance Review of Research In Motion Limited

As of June 30, 2009

GOVERNANCE REVIEW OF RESEARCH IN MOTION LIMITED AS OF JUNE 30, 2009

This report is submitted by Protiviti pursuant to a Settlement Agreement entered into by Research In Motion Limited (“RIM” or the “Company”) with staff of the Ontario Securities Commission and approved by an Order of the Commission, (referred to here collectively as the "Settlement Agreement"¹). This report presents major recommendations with respect to governance practices and internal control over financial reporting at RIM as of June 30, 2009.

Refer to Attachment I for the scope of Protiviti's review, timing of the review and effective date of the report, project methodology, restrictions on access to information and people, and follow-up procedures.

Summary of Observations and Recommendations

Research In Motion Limited was incorporated in 1984 and became a public company in 1997. As a public company, RIM experienced rapid growth with revenues increasing from approximately \$12 million in fiscal 1997 to approximately \$12 billion in fiscal 2009.

As a result of regulatory review, RIM undertook the following steps to enhance oversight and corporate governance of the Company:

- Removal of directors and officers reprimanded by regulatory authorities from specified positions as directed by the Settlement Agreement;
- Remediation of accounting and reporting for stock options and other equity-based compensation;
- Appointment of four new independent directors to replace departed directors, such that, as of June 30, 2009, the Company had seven directors, six of whom were independent;
- Recruitment of senior executives to meet the needs of a growing company;
- Recruitment of individuals with financial reporting and U.S. GAAP experience;
- Appointment of a corporate secretary with focus on supporting the needs of the board and its committees; and
- Appointment of a chief audit executive and establishment of an internal audit function for the organization.

Pursuant to the Settlement Agreement, Protiviti reported to RIM's board of directors and to the staff of the Commission² on its review as of June 30, 2009 of RIM's governance practices and internal control over financial reporting including the areas of assessment identified in the Settlement Agreement. The following is a summary of the major recommendations presented to and discussed with RIM.

¹ The term “Settlement Agreement” refers to the following: “In the Matter of the *Securities Act* R.S.O. 1990, C.S.5, as amended – And – In the Matter of Research In Motion Limited, James Balsillie, Mike Lazaridis, Dennis Kavelman, Angelo Loberto, Kendall Cork, Douglas Wright, James Estill and Douglas Fregin”, Settlement Agreement (dated January 27, 2009) and an Order (Sections 127 and 127.1) (dated February 5, 2009).

² The Settlement Agreement does not require staff of the Commission to either approve the report or indicate its non-approval. Staff of the Commission has not expressed an opinion on any of the specific recommendations made to RIM by Protiviti. The delivery of the report to RIM and the publication of the report do not in any way limit the rights or obligations of staff of the Commission under the Settlement Agreement or under Ontario securities law.

1. Board Leadership

The position of board chair has been vacant since March 2, 2007. Previously the position had been held by a non-independent director. The Company continues to have an independent 'lead director' but no board chair has yet been appointed.

The Board should appoint a board chair to fill the currently vacant position.

The chair of the board should be an independent director as is the general practice among Canadian public companies and as identified as a corporate governance practice by National Policy 58-201, Corporate Governance Guidelines. The board should adopt a structure enabling independent directors to provide the necessary leadership in exercising independent judgment and effectively performing their oversight role.

If an independent director cannot be appointed and a non-independent director assumes the position of board chair, an independent director can be appointed to act as lead director with disclosure of the matter. However, in such a situation, the board should evaluate whether, in view of the substantial improvements recommended in this report, its current leadership structure can support the effective and independent board leadership required to oversee management and discharge its responsibilities to the corporation and its shareholders.

The RIM board requires strong and active independent leadership to:

- Exercise effective oversight of the co-CEOs, who are founders of the Company and who exercise great influence in all aspects of RIM's affairs;
- Provide the necessary drive and energy required to oversee change and the implementation of the governance improvements noted in this report; and
- Effectively fulfill its governance responsibilities in the interest of the Company and its shareholders.

2. Oversight of Organizational Leadership

i) CEO and Executive Officers

The Company is led by the organization's two founding co-CEOs who are supported by an executive team, which has recently been expanded to meet the needs of a growing organization. Given the size, stature and scope of the Company, the board needs more formally developed practices and processes to effectively oversee the co-CEOs and executive officers.

The Board should develop and further refine its processes and practices to facilitate the oversight of the co-CEOs and executive management in the following areas:

Chief Executive Officer

As defined in National Policy 58-201, Corporate Governance Guidelines, the following should be provided for the co-CEOs:

- *Formal written position descriptions that clearly define the role of the CEOs and delineate management and board responsibilities; and*

- *Measurable corporate goals and performance objectives that the co-CEOs are responsible for meeting. These goals and objectives should be approved by the board, and they should subsequently form the basis for objective annual assessments of CEO performance.*

Executive Officers

- *Written position descriptions and defined measurable performance objectives should also be developed for other members of executive management and approved by the board;*
- *The appointment of executive officers of the Company should be approved by the board; and*
- *An ongoing process should be established, with board oversight, for the assessment of the capabilities of executives in relation to the Company's current, emerging and expected future needs, in the context of a rapidly growing organization that is maturing in a highly competitive environment.*

Without the clear definition of expectations of executives and the delineation of management and board activities and authorities at RIM, there is a risk that the effectiveness of board oversight is undermined to the extent management activities encroach on areas of board responsibility and management performance cannot be objectively assessed. Clearly defining the responsibilities of the board and management would promote accountability to the Company and its shareholders. While the board may delegate the day-to-day management of the Company to the CEO and senior executives, board members retain responsibility for oversight and monitoring of any delegated board-level functions.

ii) Chief Financial Officer (CFO)

RIM has operated without an individual designated as CFO since the removal of directors and officers reprimanded by regulatory authorities from specified positions as directed by the Settlement Agreement. The position of CFO has since been removed from the Company's organization chart and related CFO responsibilities were re-assigned to a number of individuals within the organization.

A company of the size and scope of RIM would be expected to have a designated chief financial officer, with an overall view of the organization's financial affairs, acting as the Company's financial representative to the marketplace and the investment community.

The Company should consider the significant benefits of appointing an individual as Chief Financial Officer. The individual should have the requisite stature, skills and experience needed for a company of the size, scope and potential of RIM.

In the absence of one individual designated as CFO, there is a fragmented view of the Company's financial affairs, dispersed among various executives, making it more difficult for RIM to discharge its financial and related reporting obligations under Ontario securities law. A CFO also serves as an essential link in addressing the Company's financial affairs with the board. Without a CFO, RIM is not following what is a common practice among Canadian public companies, and is making it more challenging for the board and its audit committee to perform effectively its crucial governance role of overseeing the Company's financial affairs.

iii) Delegation of Authority

The Company has no defined statement delineating board and management authorities with related thresholds and limits for board attention.

A strong and effective board, for a large and successful company such as RIM, should have a clear view of its role in relation to management and matters that should be brought to the board for review and/or approval.

The authorities delegated to management for binding the corporation and the matters to be brought to the board for approval should be defined in a “statement of approval authorities” and approved by the board of directors, with periodic review and re-affirmation.

In the absence of such specific delegation, there can be confusion or blurring of the roles of RIM’s management and its board which could result in less effective management oversight by the board as well as the risk of the board being asked to approve significant matters after-the-fact, at the last minute, or not at all.

3. Succession Planning and Leadership Development

National Policy 58-201, *Corporate Governance* Guidelines, defines board responsibilities for succession planning. The Company does not currently have a succession plan for the co-CEOs and other senior executives.

The Board should develop a succession plan for the CEO level and define criteria to be used in selecting future chief executive officers. Succession plans should also be developed for appropriate levels of executive management.

Succession plans should be reviewed and approved by the board on an annual basis.

Executive succession planning is one of the most critical strategic risks a business faces and it is particularly relevant in a company such as RIM that operates in a rapidly evolving and competitive industry. Succession plans provide for continuity of executive leadership and the identification and development of talent. This, in turn, reduces risks associated with the sudden or unexpected departure/loss of key individuals and contributes to the stable long-term growth of the Company.

4. Agenda Setting and Flow of Information to the Board

The board and its committees should enhance control of meeting agendas, the information received, and timely distribution of materials to allow for the effective discharge of the board’s oversight and governance responsibilities.

The board should exercise better control of the agenda-setting process and the flow of information it receives as follows:

- *An oversight matrix (a listing of board activities with related information requirements, timing and expected board action) should be developed to govern the agenda-setting process and meeting calendar, along with the related flow of information to the board and its committees. The oversight matrix should be approved by the board and subject to periodic review and re-affirmation.*

- *Protocols should be established and adhered to, providing adequate time for directors to review materials and consider significant matters for approval, especially material transactions and events, with circulation of all materials sufficiently in advance of meetings to allow directors to read and absorb them, with due consideration of their personal contribution to the discussion of matters on which the board is to deliberate.*

The effective performance of the RIM board ultimately depends on the ability of directors to control the agenda to address relevant matters and to gain timely access to the information necessary to make informed decisions and otherwise carry out their duties in the interest of the Company and its shareholders.

5. Infrastructure, Practices and Processes to Support Board Effectiveness

The Company recently appointed a corporate secretary and an assistant to support the needs of the board and its committees. As a result, board processes are becoming better structured and workflows more effective. While progress has been made, additional improvement is required as noted below to fully support the board's effectiveness.

i) Corporate Governance Guidelines

While board and committee charters specify responsibilities, they do not address all relevant matters regarding board and committee operations, activities and protocols. It is general practice at larger organizations, such as RIM, to develop corporate governance principles and guidelines that are specifically applicable to the Company.

Corporate governance guidelines should be developed to define and document the Company's approach to corporate governance and provide direction/guidance to help directors in carrying out their responsibilities. Corporate governance guidelines should be reviewed on an annual basis by the board.

Consideration should be given to publicly disclosing the Company's corporate governance guidelines as it is a leading practice for larger organizations.

The formulation of corporate governance guidelines is particularly relevant at RIM as the Company has committed to enhance board oversight and corporate governance in response to regulatory action to ensure that practices are at an appropriate level of maturity for an organization of the size, scope and stature of RIM. By elaborating on directors' basic duties, the guidelines would assist the board and its individual members in understanding their obligations as well as the general boundaries within which they should operate. Guidelines should address matters such as: director qualification standards, director responsibilities, access to management and independent advisors, director compensation, director orientation and continuing education, management and board succession, annual board/committee/director performance evaluations, as well as other matters and board protocols.

ii) Director Orientation and Ongoing Education

For directors to be positioned to discharge their oversight responsibilities effectively and provide value-added advice, counsel and direction to management, they must have sufficient knowledge of the company's business, organization, people, culture, and established practices in critical areas; the industry in which the company operates, including legal and regulatory requirements; and governance responsibilities, protocols, and practices, including the role of the board and its committees and the contribution that individual directors are expected to make.

As identified as corporate governance practices by National Policy 58-201, Corporate Governance Guidelines, the following should be developed:

- **Orientation:**
The board should ensure that all new directors receive a comprehensive orientation. All new directors should fully understand the role of the board and its committees, as well as the contribution individual directors are expected to make (including, in particular, the commitment of time and resources that the issuer expects from its directors). All new directors should also understand the nature and operation of the issuer's business.

- **Continuing Education:**
The board should provide continuing education opportunities for all directors, so that individuals may maintain or enhance their skills and abilities as directors, as well as to ensure their knowledge and understanding of the issuer's business remains current.

The orientation and continuing education programs should be regularly reviewed in the context of evolving circumstances, both within and outside the Company, and updated to ensure that all directors, individually and the board as a group, have the knowledge and understanding necessary for effective and efficient conduct of the board's affairs and to fulfill their obligations.

As discussed further below, RIM recently added four new directors with another recruited subsequent to the date of this report. To support their effectiveness and contribution to the board, new directors would benefit from an effective orientation program and all directors would benefit from an ongoing education program with focus on specific knowledge of the Company, its business, industry, legal and regulatory requirements where it operates, as well as a review of governance responsibilities, protocols, and practices, including the role of the board and its committees and the contribution that individual directors are expected to make.

iii) Director Recruiting and Succession

The board hired new independent directors in the past few years to replace departed directors and increase the size of the board to add to the mix of director skills and experience. Director nominee selection criteria have recently been developed to prioritize board requirements and facilitate the assessment of potential candidates.

The board should continue its efforts to recruit additional directors and develop an orderly succession plan to meet the ongoing needs of the board for directors with an appropriate mix of diversity, competencies, skills and other attributes to provide effective oversight of the Company.

RIM is looking to increase the size of its board to meet the needs of the Company and recruited another director subsequent to the date of this report.

iv) Board and Director Performance Assessments

The RIM board does not have established processes to assess regularly its own effectiveness and the contribution of each individual director.

As identified as a corporate governance practice by National Policy 58-201, Corporate Governance Guidelines, the board, its committees and each individual director should be regularly assessed regarding his, her or its effectiveness and contribution. An assessment should consider:

- *In the case of the board or a board committee, its mandate or charter; and*
- *In the case of an individual director, the applicable position description(s), as well as the competencies and skills each individual is expected to bring to the board.*

To determine whether the RIM board, its committees and individual directors are sufficiently effective in carrying out their respective duties and contributing positively, performance should be objectively assessed against established criteria on a periodic basis. Such a process provides important information as to areas where the board, its committees or individual directors are operating at a high level of performance, and where improvements are needed, forming a basis for corrective action or training support.

v) Charters and Mandates

Charters, mandates and position descriptions were recently reviewed and revised with a few remaining outstanding.

The board should develop the following:

- *A charter for the strategic planning committee;*
- *Position descriptions for the chair of the audit committee and the chair of the strategic planning committee.*

Charters, mandates and position descriptions will bring greater clarity to the roles and responsibilities of the committees and their chair, to support the effective discharge of their duties and as required for the subsequent evaluation of performance (as referred to 5-iv above).

6. Compliance Oversight Practices

i) Oversight of Enterprise-Wide Compliance

The audit committee is charged with oversight of the Company's legal and compliance function which comprises various areas in the organization. Reporting to the audit committee mainly consists of Sarbanes-Oxley compliance, outstanding legal claims, regulatory matters giving rise to this review, and known instances of non-compliance.

The Board should oversee the design and implementation of a comprehensive, integrated enterprise-wide compliance program encompassing existing compliance initiatives and ensuring coverage of compliance with all applicable laws and regulations across various jurisdictions, as well as with internal corporate policies approved by the board.

Accountability for enterprise-wide compliance should be assigned to a designated executive, such as a chief compliance officer or the equivalent, with responsibility for comprehensive and integrated compliance across all parts of the organization with regular reporting to the audit committee and the board.

To discharge its oversight responsibilities, the audit committee should ensure the effective operation of an enterprise-wide compliance program with regular reporting on the state of compliance in the organization. Reporting should continue to include reports on Sarbanes-Oxley compliance, legal claims and known non-compliance incidents. Reporting to the audit committee should also include reporting on the enterprise-wide compliance program and the state of compliance across the organization with focus on compliance risk exposures.

In addition, Internal Audit should periodically perform reviews of the enterprise-wide compliance function and processes to provide assurance to the audit committee on the program's effective and efficient operation.

A multinational organization such as RIM that operates in a number of different locations, with a wide variety of stakeholders and a diverse employee population requires a more comprehensive and sophisticated approach to compliance with active board oversight to ensure the design, operation and enforcement of an effective enterprise-wide compliance program, an organizational culture that encourages ethical conduct, and a commitment to compliance with laws, regulations and internal policies.

ii) Compliance Culture

During the OSC's staff review of the Company's stock options granting, which gave rise to this review, two directors resigned from the Board and did not stand for re-election. The individuals were reprimanded by a panel of the OSC, with requirements set forth for their future service as directors. In spite of the reprimands, each was awarded the honorary designation of "Director Emeritus", and each received special mention at the Company's July 14, 2009 Annual General Meeting. The board also recently re-appointed each of these individuals as "Director Emeritus" for an additional term.

In considering the future re-appointment of individuals reprimanded by regulatory authorities to the honorary title of "Director Emeritus", the board should consider the messaging effect of these actions and the impact on the organization's compliance culture.

The board and its actions set the tone for the organization and its commitment to compliance with laws, regulations and internal policies.

7. Receiving Feedback from Employees and Stakeholders

The Company has a whistleblower program with the audit committee being responsible for the handling of complaints received regarding accounting, internal accounting controls or auditing matters and the confidential anonymous submission by employees of concerns regarding questionable accounting or auditing matters. The Company is in the process of reviewing and revising its current program and procedures to ensure it effectively operates and encourages employees to raise concerns in a confidential and anonymous manner without fear of reprisal.

Stakeholders, other than employees, can contact RIM through Investor Relations or Public Relations although there is no formal process for directors to receive feedback from stakeholders as identified as a corporate governance practice by National Policy 58-201, *Corporate Governance Guidelines*.

The board should proceed with its review and revisions of the Company's employee whistleblower program to ensure it operates effectively with focus on internal awareness and methods of access to promote ease of use. The board should consider the benefits of establishing a channel by which outside parties can report relevant information as a means of obtaining external feedback and gauging potential reputational impact to the organization. As identified as a corporate governance practice by National Policy 58-201, Corporate Governance Guidelines, the board's mandate should be revised to include its responsibility for the implementation of measures for receiving feedback from stakeholders – such as establishing a process to permit stakeholders to directly contact the independent directors.

By increasing awareness, effectiveness and potentially the outreach of these programs, the board can enhance the development of an internal culture of integrity that will benefit all stakeholders of RIM.

8. Strategy

The strategic direction established by the co-CEOs and adopted by the Company has proven to be highly successful with very significant shareholder benefit. Corporate strategy is one of the most critical agenda items for a board, which must ensure an appropriate amount of time is spent on discussing its company's business strategy as well as on assigning responsibility for its execution and ongoing assessment. Despite its importance, in fiscal 2009, the Strategic Planning Committee held only one two-hour meeting to discuss the Company's strategy, with no subsequent formal approval of the plan.

The Company's strategic plan should be approved by the strategic planning committee, and ultimately by the full board on an annual basis. The mandate of the board should be revised to include its responsibility for approval of the strategic plan, as outlined in National Policy 58-201, Corporate Governance Guidelines.

Sufficient time should be allocated for discussion and review of the plan by the strategic planning committee and the board, as well as to oversee on a continuous basis the progress made by management in pursuit of the Company's strategic objectives in a rapidly changing business environment.

Management establishes the strategic plan formulating the direction and setting the parameters within which they propose to operate the business. The RIM board should take an active role in discharging its critical responsibilities to review and approve the strategic plan and endorsing the organization's direction, with an understanding of the Company's business, the environment in which it operates, the factors driving its growth, and the major risks to which it is exposed. While these activities may be delegated to the strategic planning committee, oversight of the strategy-setting process merits attention of the full board with protocols needed to engage the full board with sufficient time allocated for review, approval and subsequent oversight of implementation.

9. Corporate Policy Framework

Organizations, and in particular organizations of the size and scope of RIM, should have corporate policies approved by the board to govern all the major risks and activities of the organization. Corporate policies articulate the will of the board, providing directives, prohibitions and boundaries (including limits and protocols), to guide organizational behaviour and actions.

While the Company's Business Standards and Principles deal with matters relevant to the Company's activities and risks, there may be a need for additional policies addressing other important areas of the Company.

The board should oversee the establishment of a comprehensive corporate policy framework ensuring that corporate policies or policy statements are developed to govern all the major risks and critical business activities of the organization. The board should review the corporate policy framework and approve corporate policies with periodic review and re-affirmation.

A large multinational organization such as RIM requires internal guidance in the form of corporate policies to establish requirements and expectations to ensure consistent action throughout the organization. Policy statements should address all the major risks and activities of the organization and may include matters such as the following (subject to an analysis of major risks and activities and the related corporate policy coverage): new initiatives and change management, hedging, investments, outsourcing, capital expenditures, human resources, enterprise risk management, control, compliance, authorities, business continuity, privacy, etc.

10. Risk Oversight

Board responsibility for risk oversight at RIM rests with the audit committee. Overall responsibility for risk management rests, at the management level, with the Risk Performance Council (a committee of senior executives) and the Risk Performance & Audit Group. While the Company recently formed a risk council with regular meetings, there is opportunity to define further processes and practices including regular reporting to enable the board to effectively discharge its risk oversight responsibilities.

The board should determine how it will carry out its risk oversight responsibilities. The board should develop and formalize the related communication and reporting protocols – at both the audit committee and full board level – to effectively carry out its risk oversight responsibilities including:

- Understanding the risks inherent in the organization's strategy and the risk appetite of management in executing that strategy;*
- Ensuring the implementation of appropriate processes and systems to manage the organization's critical risks;*
- Accessing relevant information from internal and external sources about the critical assumptions underlying the strategy;*
- Being alert to organizational behaviour and financial and other incentives that can lead to excessive risk taking;*
- Providing input to executive management regarding critical risk issues on a timely basis; and*
- Identifying significant changes to the Company's risk profile and their implications to the business.*

Effective enterprise-level risk oversight is a key responsibility of the board, especially in an organization such as RIM which operates in a rapidly changing and competitive environment. In the aftermath of the financial crisis, many executives and their boards realized that an ad hoc approach to risk management needs to be replaced with a robust and holistic top-down enterprise-wide view of key risks facing an organization with regular reporting to the board to support the effective discharge of their risk oversight responsibilities.

11. Internal Audit

RIM committed to establishing an internal audit function as part of its plan to improve the organization's governance practices. A chief audit executive was hired in January 2008 to develop the Company's internal audit function. Internal Audit continues to develop and refine its methodology, approach, and practices, and, in June 2009, the chief audit executive reported to the audit committee on the conduct of four initial internal audit reviews. While progress has been made in establishing an internal audit function for the organization, further development is needed for this function to fully support the audit committee in providing assurance on the state of governance, risk management and control in the organization.

The Company should continue its efforts to operationalize the internal audit function and ensure that internal audit effectively provides the audit committee with assurance on the state of governance, risk management, control and compliance in the organization.

Once the internal audit function has been fully operationalized, the audit committee should consider the conduct of an external assessment of the internal audit function by a qualified independent evaluator accredited by the Institute of Internal Auditors with subsequent reporting to the audit committee on compliance with professional standards, as well as provide insight on improvement opportunities relative to general good practices.

It is general practice for large public companies such as RIM to have an internal audit function. Internal audit is a key pillar of an organization's governance structure and acts as the "eyes and ears" of the audit committee in providing assurance on the state of governance, risk management and control in the organization.

12. Stock Options and Other Equity-Based Compensation

A stock option and other equity-based compensation process typically consists of the following activities: granting, administration, calculation, and reporting. We noted improvement opportunities to further formalize and otherwise improve the consistency of this important process as set out below.

i) Granting Activities

The Company should improve the approval and documentation of stock option and other equity compensation grants by formalizing and standardizing grant request forms, adhering to pre-approved ranges for all types of awards and documenting and retaining evidence of approval throughout the process prior to Compensation Committee approval. Compensation Committee review and approval is documented.

ii) Administration Activities

The Company should formalize its documentation of the review and execution of post-granting transactions, and improve certain system access controls.

iii) Calculation Activities

The Company should improve its documentation of the review of certain activities undertaken in support of its calculation of the fair value of equity compensation awards. In particular, the review and data reconciliation activities performed by the Company in its calculation of the fair value and compensation expense related to equity-based compensation should be more consistently executed and documented in order to ensure consistency and accuracy.

iv) Reporting Activities

The Company should improve the consistency of its documentation of the review and performance of certain reporting activities (in particular, the reconciliations and summaries prepared in this part of the equity-based compensation accounting and reporting process), as well as the access and formula controls over key spreadsheets prepared and used in this part of the process to organize and report the data prepared in the other phases described above.

While the Company has made many improvements in the accounting and reporting of stock options and equity-based compensation as a follow-up to the OSC's staff review of RIM's stock option granting, the above noted improvements will help to ensure that stock options and other equity-based compensation are consistently, accurately and appropriately accounted for and disclosed at RIM.

13. Internal Control over Financial Reporting and Disclosure Controls & Procedures

RIM is subject to the requirements of the Sarbanes-Oxley Act ("SOX"). The Company has developed an approach to addressing SOX requirements and RIM's external auditors, Ernst & Young, perform an annual audit of the effectiveness of internal control over financial reporting. An unqualified opinion has been provided by Ernst & Young since an audit was first required in fiscal 2007.

Disclosure controls and procedures (DC&P) must be established and maintained to ensure that information that is required to be disclosed by the organization in annual filings, interim filings and other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified by applicable laws, rules, and regulations. RIM has a process and documentation for DC&P, although greater depth of analysis and documentation would be expected of a company of its size.

The Company should implement a process to identify and assess disclosure risks for both financial and non-financial disclosures, more formally identify and document disclosure controls and procedures, and regularly execute a formal testing program for DC&P to more fully support its periodic certification obligations.

RIM's disclosure controls and procedures have improved as a result of recent changes resulting from the stock option granting and disclosure issues that led to the OSC proceeding and this report, but further formalization of these processes and procedures with sufficient depth of analysis and evidence thereof will help to ensure that all disclosure risks (financial and non-financial) and potential future issues are addressed and documented.

ATTACHMENT I

Scope of Review

Protiviti was retained to conduct a review³ of the governance practices and procedures and internal control over financial reporting of Research In Motion Limited.

As mandated by the terms of the Settlement Agreement, the review included:

- (a) processes and procedures appropriate to RIM that enable the board to oversee management effectively and satisfy the board's other legal and corporate responsibilities;
- (b) processes and procedures appropriate to RIM that enable the Company's senior management team to carry out management functions in a manner that supports compliance with corporate governance practices applicable to RIM;
- (c) processes and procedures appropriate to RIM to prevent and detect violations of law or of RIM's internal policies and procedures and to promote honest and ethical conduct;
- (d) processes and procedures appropriate to RIM to comply with Ontario securities law requirements with respect to internal control over financial reporting; and
- (e) processes and procedures appropriate to RIM to ensure that public disclosure is appropriate and is properly reviewed by management and the board as required before it is released.

Timing of Review and Effective Date of Report

Protiviti was retained by RIM on April 6, 2009. The review was performed in the period from May 5 to October 9, 2009 with respect to the Company's governance practices and procedures and internal control over financial reporting as of June 30, 2009, the effective date of this report.

Project Methodology

To provide structure for the review, we developed a governance framework, based on applicable requirements, published standards, other relevant sources and general practice appropriate to companies of the size, scope, reach and stature of RIM. In the conduct of the review, the scope of our work was limited to the performance of specified procedures to evaluate information obtained about RIM's governance practices and procedures and internal control over financial reporting against the framework. Specified procedures were primarily comprised of selected interviews and review of minutes and other materials provided by RIM. Our procedures excluded observing and validating design effectiveness and testing of the operational effectiveness of the Company's policies and procedures. Had we performed additional procedures, other issues may have been identified. In making our observations and forming our recommendations, we relied on the integrity of the information provided by RIM and its directors, management, and the Company's external audit firm and external legal counsel. Our work, observations and recommendations do not constitute, either in whole or in part, an opinion on the governance processes or operations of RIM.

³ In describing the approach to a governance assessment, Schedule "C" of the Settlement Agreement calls for a "comprehensive examination and review" of RIM's "governance practices and procedures and internal control over financial reporting" including the specified areas. In that regard, the term "comprehensive examination" could be interpreted to encompass an audit leading to a positive opinion on the subject matter. The parties – RIM's independent directors, the OSC, and Protiviti – concluded that that type of service would neither be cost-effective nor achieve the most productive outcome. Instead, it was decided by the parties that a limited review of the areas outlined in the Settlement Agreement would be most appropriate to the objectives of this engagement.

Considerable professional judgment is involved in evaluating the information provided and developing our observations and recommendations. Accordingly, it should be recognized that others could evaluate the information differently and draw other conclusions.

Our review focused three key areas: (1) board of directors (and related committees); (2) stock options and other equity-based compensation; and (3) internal control over financial reporting and disclosure controls and procedures.

Access to Information and People

Protiviti was provided access to RIM information and people, subject to the following:

- Minutes and other materials were heavily redacted for matters which were deemed by RIM to be subject to lawyer-client or other legal privileges as provided by the terms of the Settlement Agreement;
- All materials provided were first vetted by internal and external counsel and made available for viewing on RIM premises or legal counsel's office with no copies for file retention and subsequent reference and review (with a few exceptions, where toward the conclusion of our field work we were provided a copy of the redacted minutes of a few meetings); and
- After requesting additional interviews with five Company managers to validate findings subsequent to our interviews with directors and senior officers, only one such interview was granted.

In view of the above limitations and resulting restrictions on the scope of our limited review arising from RIM's exercise of privilege, we were unable to consider fully all items outlined in the Settlement Agreement and we are unable to ascertain whether there are any additional issues that may be relevant to this report that would have been identified had we been granted access to all persons and information requested. Notwithstanding the potential effect of these limitations on obtaining relevant information, we believe that the work we performed was sufficient to support the observations and recommendations outlined herein. Overall, we believe our recommendations will enhance corporate governance at RIM, with pragmatism and efficiency.

Follow-Up Procedures

The Settlement Agreement calls for the summary recommendations, as outlined above, to be posted on the OSC's website and disclosed in RIM's Management Discussion & Analysis.

Protiviti is to review the implementation of the recommendations that RIM has agreed to implement, and provide a report to the Board, the Audit Committee and the OSC, 12 months after the date of our initial appointment (or such later date resulting from any extensions granted) concerning the progress of implementation. If, at that time, not all the recommendations deemed significant by the OSC and agreed to by RIM (in whole or in part or with modifications) have been substantially implemented for at least two successive fiscal quarters, the OSC may direct RIM to extend the term of our appointment until such time as all such recommendations have been implemented for at least two successive fiscal quarters.

RIM is required to make specified disclosures in its Management Discussion & Analysis regarding the recommendations implemented by RIM and recommendations the independent directors determined not to implement.