

**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

PART I – INTRODUCTION

1. The Ontario Securities Commission (the “Commission”) will issue a Notice of Hearing to announce that it will hold a hearing to consider whether, pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”), it is in the public interest for the Commission to make certain orders in respect of Research In Motion Limited (“RIM” or the “Company”), James Balsillie (“Balsillie”), Mike Lazaridis (“Lazaridis”), Dennis Kavelman (“Kavelman”), Angelo Loberto (“Loberto”), Kendall Cork (“Cork”), Douglas Wright (“Wright”), James Estill (“Estill”) and Douglas Fregin (“Fregin”) (collectively, the “Respondents” or, apart from RIM, the “Individual Respondents”).

PART II – JOINT SETTLEMENT RECOMMENDATION

2. Staff of the Commission (“Staff”) agree to recommend settlement of the proceeding commenced by Notice of Hearing (the “Proceeding”) against the Respondents according to the terms and conditions set out in Part VI of this Settlement Agreement. The Respondents agree to the making of an order in the form attached as Schedule “A”, based on the facts set out below.

PART III – AGREED FACTS

3. The Respondents agree with the facts set out in Part III of this Settlement Agreement solely for the purposes of this Settlement Agreement. This Settlement Agreement and the agreed facts set out herein are without prejudice to the Respondents in any other proceeding, including, without limitation, any civil, administrative, quasi-criminal, or criminal actions or proceedings that may be brought by any person or agency, whether or not this Settlement Agreement is approved by the Commission. The Respondents agree that the non-monetary orders proposed in this Settlement Agreement may be reciprocated by the Securities Regulatory Authorities, as defined in National Instrument 14-101.

The Parties

4. RIM is a reporting issuer in Ontario and its shares are listed on both the Toronto Stock Exchange (the “TSX”) and the Nasdaq Stock Market (“NASDAQ”). RIM carries on business with its head office located in Waterloo, Ontario.
5. Balsillie is a chartered accountant. He has a Bachelor of Commerce degree from the University of Toronto, a Masters of Business Administration from the Harvard Business School and is a Fellow of the Institute of Chartered Accountants of Ontario. At all material times, he was co-Chief Executive Officer (“co-CEO”) and Chairman of the Board of Directors of RIM. He was a member of the Compensation Committee of RIM from 1997 to 2000. He is no longer Chairman, but he remains co-CEO and a director of RIM.
6. Lazaridis is a founder of RIM. At all material times, he was co-CEO, President and a director of RIM, and he continues to hold all these positions. Lazaridis focused on research, product development, engineering and manufacturing of RIM's products.

7. Kavelman is a chartered accountant. He was Vice-President, Finance from February 1995 through 1997 and then Chief Financial Officer (“CFO”) of RIM from 1997 to March 2007. He is now Chief Operating Officer, Administration and Operations.
8. Loberto was Director of Finance at RIM from August 1997 and was Vice-President, Finance from September 2001 into 2007. He is now Vice-President, Corporate Operations.
9. Cork was a director of RIM from 1999 to 2007 and has been a Director Emeritus of RIM since 2007. He was a member of the Audit Committee from 1999 to 2007 and a member of the Compensation Committee from 2000 to 2007.
10. Wright was a director of RIM from 1995 to 2007 and has been a Director Emeritus of RIM since 2007. He was a member of the Audit Committee from 1996 to 2007 and its Chair from 1998 and a member of the Compensation Committee from 1998 to 2007 and its Chair from at least 2003.
11. Estill has been a director of RIM since 1997 and was a member of the Audit Committee from 1998 through 2007.
12. Fregin is a founder of RIM and was a director of RIM from 1985 to 2007. He was the Vice-President, Hardware Design and subsequently Vice-President, Operations at RIM, but is no longer connected with RIM.

Overview of Agreed Facts

13. The conduct at issue relates to stock options granting practices at RIM which, over a ten year period from December 1996 to July 2006 (the “Material Time”), were inconsistent with the terms of RIM’s stock option plan and with RIM’s public disclosure.

The Stock Option Plan

14. In advance of RIM becoming a reporting issuer in December, 1996, RIM's Board of Directors (the "Board") approved a new stock option plan (the "Plan") to govern the granting of stock options ("Options") for the Company both before and after it became a reporting issuer.
15. Material provisions of the Plan for the purposes of these Proceedings and during the Material Time included the following:

Section 1.02 Definitions.

"Securities Laws" means, collectively, the applicable securities laws, regulations, schedules, prescribed forms, policy statements, notices, blanket rulings and other similar instruments of each of the jurisdictions in which the Corporation is or becomes a reporting issuer or equivalent and also includes, as the context so requires, the by-laws, rules, regulations and policies of the Exchange.

Section 2.05 Price.

The exercise price per Common Share with respect to any option shall be determined by the Board of Directors at the time the option is granted, subject to the requirements of the Securities Laws, until the Common Shares are listed and posted for trading on an Exchange. In respect of options to acquire Common Shares granted after such listing, such price shall not be less than the minimum permitted exercise price per Common Share under the applicable rules and policies of such Exchange.

Section 3.03 Delegation to Compensation Committee.

All of the powers exercisable by the Board of Directors under this Plan may, to the extent permitted by applicable law and authorized by resolution of the Board of Directors of the Corporation, be exercised by a Compensation Committee of not less than three (3) directors.

Section 3.04 Administration of the Plan.

This Plan shall be administered by the Board of Directors of the Corporation. The Board of Directors shall be authorized to interpret and construe this Plan and may, from time to time, establish, amend or rescind rules and regulations required for carrying out the purposes, provisions and administration of this Plan and determine the Participants to be granted options, the number of Common Shares covered

thereby, the exercise price therefore and the time or times when they may be exercised.

16. The Plan was amended on July 14, 1998 (the "Amended Plan") and from time to time thereafter. The provisions addressing the administration of the Plan and the delegation of authority to administer the Plan did not change substantially during the Material Time. Any amendments to the Plan were approved by the Directors at meetings of the Board.
17. Under the Amended Plan, Options were to be granted at an exercise price of not less than the closing price of RIM's common shares on the TSX on the last trading day preceding the date on which the grant of Options was approved. Section 2.05 of the Amended Plan reads as follows:

Section 2.05 Price.

The exercise price per Common Share with respect to any option shall be determined by the Board of Directors at the time the option is granted, but such price shall not be less than the closing price of the Common Shares on the Exchange on the last trading day preceding the date on which the grant of the option is approved by the Board of Directors.

18. Section 3.03, "Delegation to Compensation Committee", of the version of the Plan that was in place from August 12, 2002 through January 29, 2003, provided that delegation could be made to "a Compensation Committee of not less than two (2) directors." In all other respects, section 3.03 of was unchanged.
19. From October 1997, as a TSX listed issuer, RIM was also obliged to comply with options granting requirements under the TSX Company Manual (the "TSX Rules") In respect of pricing, s.633(c) of the TSX Rules provided as follows:

The exercise price must not be lower than the market price of the shares on the Toronto Stock Exchange at the time of the grant... A stock option plan must specify how the "market price" will be determined for the purpose of setting exercise prices.

20. The TSX Rules were amended thereafter to provide under s.613(h)(i) that “the exercise price for stock options granted under a security based compensation arrangement or otherwise must not be lower than the market price of the securities at the time the option is granted.”
21. The Respondents should have taken reasonable steps to be and remain aware during the Material Time of the terms of the Plan as described above.
22. The Plan’s pricing provision required that grants be made “at the money”, where the exercise price per share is equal to the closing market price of the shares on the last trading day immediately preceding the date of the grant. Option recipients would then benefit from any subsequent increase in the share price when they exercised their options. “In the money” grants are options granted at an exercise price lower than the market price of the security on the grant date.
23. As set out above, the Plan specifically authorized the Board to delegate, by resolution, “all of the powers exercisable by the Board of Directors under this Plan” to a Compensation Committee. However, during the Material Time, no resolution was passed by the Board delegating any power under the Plan to the Compensation Committee.
24. Board minutes reflect that the Board thought Balsillie had the authority, as a result of being Chairman, to grant options to all employees other than himself and Lazaridis. The Board should have known this was inconsistent with the Plan.

Incorrect Options Dating Practices

25. “Option Backdating” refers to the practice of pricing an option at a date earlier than the grant date permitted by a stock option plan when the market price of the shares was lower than it was on the actual grant date.
26. “Option repricing” refers to the practice of altering an option’s exercise price by changing the purported grant date from the date the option was actually granted to a

later date, or reissuing options at a later date and cancelling an earlier grant, when the market price of the underlying stock is lower.

27. As described below, Balsillie, Lazaridis, Kavelman and Loberto engaged in the grant of Options, in which Option Backdating or Option Repricing occurred. The grant dates selected resulted in more favourable pricing for the Options or “in the money” grants as described above. In many instances, the lowest share price in a period was chosen using hindsight in order to set the grant date and, therefore, the exercise price. These practices are collectively referred to as “Incorrect Dating Practices”.
28. The Incorrect Dating Practices had the effect of providing an undisclosed benefit to the option recipient that was not authorized or permitted by the Plan or the TSX Rules.
29. Approximately 1,400 of 3,200 Option grants made by RIM during the Material Time were made using Incorrect Dating Practices, many of which gave the recipient an undisclosed benefit that was not authorized or permitted by the Plan or the TSX Rules.
30. The Incorrect Dating Practices were contrary to the Plan and the TSX Rules.
31. The Individual Respondents personally received an undisclosed benefit from grants of Options that were “in the money” at the time they were made, in breach of the Plan and the TSX Rules. They have, however, all since repaid any “in the money” benefits received, with interest, or have repriced unexercised options.
32. The total “in the money” benefit resulting from the Incorrect Dating Practices for all employees was approximately \$66 million, of which approximately \$33 million has not been reimbursed or repaid to RIM or otherwise forfeited or cancelled.
33. Each of Balsillie, Lazaridis, Kavelman and Loberto should have taken reasonable steps to ensure that the Incorrect Dating Practices were not contrary to the Plan and

the TSX Rules and to ensure that RIM's option granting practices did not provide an undisclosed benefit to Option recipients that was not authorized or permitted by the Plan or the TSX Rules at a potential shortfall to RIM's treasury of approximately \$66 million.

34. Grants of Options were seldom approved by the Board or the Compensation Committee as required by the Plan. Rather, the only Option grants which the Compensation Committee or the Board approved were those made to Balsillie and Lazaridis. In May 2003, the Compensation Committee determined that it would begin reviewing grants to senior officers but it was not consistent in doing so.
35. Balsillie, Kavelman and Loberto, personally or through their delegates, participated in the selection of favourable grant dates to be used in many of the Option grants to employees, officers and directors, thereby setting an exercise price for the Options that was lower than that permitted by the Plan and the TSX Rules. Lazaridis participated in selecting grant dates to be used in some cases. In doing so, each of them did not take reasonable steps to learn of and comply with the requirements of the Plan and the TSX Rules.
36. During the Material Time, Balsillie, Lazaridis, Cork, Wright, Fregin and Estill, in their capacity as Directors, should have taken reasonable steps to be and remain aware of the requirements of the Plan and to adhere to its terms. Those terms required them, among other things, to determine Option exercise prices as required by the Plan. The Directors' failures and lack of due diligence materially contributed to RIM's failure to ensure that its Option granting practices accorded with the requirements of the Plan and the TSX Rules.
37. The Incorrect Dating Practices at RIM and the Individual Respondents' participation in them, as described above, were contrary to the public interest.

Misleading Disclosure

38. As a reporting issuer, RIM was obliged to make certain annual and periodic disclosure in accordance with the requirements of Part XVIII of the Act, particularly sections 77 and 78. From July 1998 to August 2006, RIM repeatedly made statements in many of its filings, including its financial statements and as more particularly described in Schedule “B” attached hereto (the “Public Disclosure”), that contained the misleading or untrue statement that Options were priced at the fair market value of the Company's common shares at the date of the grant and were granted in accordance with the terms of the Plan, contrary to Ontario securities law or to the public interest.
39. Balsillie as Chairman of the Board and co-CEO, Lazaridis as President and co-CEO, Kavelman as CFO, and Estill, Cork, Wright and Fregin as directors failed to exercise reasonable diligence in approving, and causing RIM to file, documents containing the statements described in paragraph 38.
40. In addition, in the Management Information Circulars set forth in Schedule “B”, sent to shareholders in connection with, among other things, the election of Directors, appointment of auditors, and amendments to the Plan, and in the Annual Reports set forth in Schedule B, the Company included a description of its Options granting practices that repeated the misleading or untrue statements described in paragraph 38. These statements were misleading in that they did not reflect properly or accurately RIM’s Options granting practices. These Management Information Circulars and Annual Reports were reviewed and approved by the Board.
41. These misleading descriptions of RIM’s Option granting practices were repeated in other filings issued by RIM during the Material Time including prospectuses issued in 1999, 2000 and 2004.

42. The Management Information Circulars also substantially understated the true compensation awarded to the Named Executive Officers (as defined in the Management Information Circulars) by failing to disclose the unauthorized benefit they received as a result of the improperly dated Options during the Material Time.
43. In the Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") for the years 2004 through 2006, management of RIM stated that the exercise price of Options granted by RIM was equal to the market value of the underlying shares at the date of grant, as a result of which the Company did not have to recognize any compensation expense. However, in respect of many Options grants, the exercise price was not equal to the market value of the shares at the date of grant as disclosed.
44. The Company made the above disclosures, and when the Individual Respondents authorized, acquiesced in, or permitted those statements to be made they did not exercise reasonable diligence to ensure that the statements were not misleading or untrue contrary to the Act and/or the public interest.

Failure to Maintain Internal Controls

45. Every RIM Annual Report between 1998 and 2006, in the section entitled "Management's Responsibility for Financial Reporting" signed by Lazaridis and Kavelman, stated that management of RIM had developed and maintained systems of accounting and internal controls that it believed provided reasonable assurance that transactions were executed in accordance with management's authorization and that the Company's financial records were reliable for the preparation of accurate financial statements.
46. However, the Company failed to maintain adequate internal and accounting controls with respect to issuing Options in compliance with RIM's Plan, for both how Options were granted and documented, and in respect of the measurement date used to account for certain Option grants. Rather, the Option granting practices were

characterized by informality and a lack of definitive documentation, and lacked safeguards to ensure compliance with applicable accounting, regulatory, and disclosure rules.

47. RIM's failure to maintain adequate internal and accounting controls with respect to issuing Options and accurately disclosing the failure to put internal controls in place was contrary to the public interest.

CEO and CFO Certificates

48. On March 30, 2004, the Company became subject to the requirement to file CEO and CFO certificates (the "Certificates"), pursuant to NI 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109").
49. Balsillie, Lazaridis and Kavelman, in their capacity as the certifying officers for RIM, failed to take reasonable steps in their review of the underlying Annual Information Forms, financial statements, and Management's Discussion & Analysis concerning RIM's Options granting practices before completing the Certificates.

Lack of Diligence by Directors and Senior Officers

50. Directors and officers of RIM owed a duty to the Company to provide proper oversight to ensure that its policies and procedures, and its disclosure obligations under the Act were complied with fully, accurately, and in a timely way.
51. The Individual Respondents did not take reasonable steps to provide proper oversight in relation to RIM's Options granting practices or to ensure that the Public Disclosure reflected those practices during the Material Time, contrary to the Act and/or the public interest.

Internal Review of Options Granting Practices

52. In August 2006, RIM commenced a voluntary internal review (the “Internal Review”) by the Audit Committee of RIM’s Option granting practices and related accounting. This review was later continued by a Special Committee of the Board.
53. On March 5, 2007, the Company filed a status update and a report on SEDAR on the results of the Internal Review of Option grants (the “Status Update”). According to the Status Update, the Special Committee reviewed the facts and circumstances surrounding the approximately 3,200 grants of Options that were made by the Company between December 1996 and August 2006 to its employees and directors.
54. According to the Status Update, the Special Committee made a number of findings, including the following:
 - (a) All Options granted prior to February 27, 2002 were accounted for incorrectly under U.S. generally accepted accounting principles (“GAAP”), as the Company failed to apply variable accounting for the awards as a result of the net settlement feature of the Plan.
 - (b) From February 28, 2002 to August 2006, incorrect measurement dates for accounting purposes were identified for approximately 321 grants in respect of Options to acquire 4,581,000 common shares. This represents approximately 63% of the grants made by the Company after February 28, 2002.
 - (c) Since its initial public offering in 1997, RIM publicly reported that stock options were granted upon approval of the Board or Compensation Committee. Over the same period, RIM has also consistently issued public reports that Options were granted at exercise prices not less than the market price of the shares on the date immediately prior to the grants of the Options, which was untrue.
 - (d) Until the commencement of the Internal Review in August 2006, all Option grants, except grants to RIM’s co-CEOs, were made by or under the authority of Balsillie or his delegate. For a number of years after the Company’s initial public offering in 1997, Balsillie was directly involved in

approving grants, including grants that have been found to have been accounted for incorrectly.

- (e) Balsillie's direct involvement in approving grants diminished over time, as more responsibility for approving certain grants was delegated, without explicit conditions or documentation, to Kavelman, Loberto and to other employees. Kavelman, Loberto and other, less senior, personnel were also involved in granting Options that have been found to have been accounted for incorrectly.
 - (f) Lazaridis also had a role in granting Options.
 - (g) Some New Hire Grants and the majority of Periodic Grants, as defined in the Status Update, were accounted for using incorrect measurement dates, with the result that the exercise prices of the Options were less than the fair market value as of the date when all the events necessary to make the grants were complete.
 - (h) In many instances, including some Option grants to Directors, the co-CEOs, COOs and the CFO (the "C-level officers"), hindsight was used to select grant dates with favourable pricing on grants, resulting in grantees receiving an in the money benefit that was not recorded in the financial statements as stock-based compensation.
 - (i) The Company failed to maintain adequate internal and accounting controls with respect to issuing Options in compliance with the Plan, both in terms of how Options were granted and documented, and the measurement date used to account for certain Option grants. The grant process was characterized by informality and a lack of definitive documentation, and lacked safeguards to ensure compliance with applicable accounting, regulatory and disclosure rules.
 - (j) The practices identified above benefited Directors and employees across all levels at RIM. However, by virtue of larger Option grants to more senior employees, such employees received a greater individual benefit from the Company's Options granting practices. Each of the Company's C-level officers and certain other officers of the Company received in the money benefits from Options grants that were effectively made at less than fair market value as of the date the granting process was complete.
55. On May 17, 2007, RIM announced that it had completed the restatement of its previously filed U.S. GAAP financial statements arising as a result of the internal review of its Option granting practices and various accounting errors relating to

Option grants (the “Restatement”). RIM was not required to restate its historical Canadian GAAP results.

56. As a result of the Restatement, RIM took a cumulative charge of US \$248.2 million including US \$227 million in non-cash, stock-based compensation expense for fiscal 1999 through fiscal 2006. The Restatement resulted from granting “in the money” Options, as well as the misapplication of U.S. GAAP as it relates to a “net settlement” feature in RIM’s Plan through fiscal 2002. U.S. GAAP required RIM to have used variable accounting for all grants through fiscal 2002, among other errors. Had the Company not been required to use variable accounting, the granting of “in the money” Options during the years 1996 through 2006 would have led to a total potential charge of approximately \$66 million.

PART IV – CONDUCT CONTRARY TO ONTARIO SECURITIES LAW OR THE PUBLIC INTEREST

57. By engaging in the conduct described above, the Respondents have breached Ontario securities law and/or have acted contrary to the public interest.

PART V – RESPONDENTS’ POSITION

58. The Respondents request that the settlement hearing panel consider the following mitigating circumstances:

Co-operation of the Respondents

- (a) The Internal Review was voluntarily initiated by the Company.
- (b) The Special Committee, consisting solely of outside (non-management) directors, supervised and directed the Internal Review and retained experienced counsel to assist it.

- (c) The Company promptly reported to Staff the need for a Restatement as well as the Internal Review.
- (d) The findings of the Internal Review were publicly disclosed by RIM on March 5, 2007.
- (e) As described more fully below, RIM has undertaken the remediation recommended by the Internal Review to prevent a recurrence, to improve RIM's corporate culture, and to ensure sound financial reporting.
- (f) RIM and the Individual Respondents cooperated with Staff's investigation.

Special Remedial Measure Undertaken or Planned by the Respondents

- (g) Immediately after the commencement of the Internal Review, the Company suspended all Option grants, except for exceptional circumstances. On December 21, 2006, the Board adopted interim equity granting guidelines that included new procedures for granting Options in accordance with the Board's and its outside advisors' recommendations.
- (h) All directors and all C-level officers returned the improper benefits they received from all Options that were incorrectly priced. In addition, all vice-presidents of the Company returned the improper benefits they received for Options that were incorrectly priced and granted after the employee's commencement of employment or, where the employee was hired below the level of vice-president, after such employee was promoted to vice-president.
- (i) Restitution in the aggregate amount of \$8,575,609, including interest to the date of payment, has been paid to the Company by its directors, C-

level officers and vice-presidents. In addition, \$15,008,383 has been recovered through the repricing of Options, including for certain employees who have voluntarily re-priced options with dating issues.

- (j) On March 2, 2007, Balsillie voluntarily stepped down as the Chairman of the Company's Board and John Richardson became Lead Director.
- (k) An Oversight Committee was established on March 2, 2007, comprising exclusively independent directors, each of whom is also on the Board's Audit Committee or Compensation Committee, or both.
- (l) Cork and Wright voluntarily resigned from all committees of the Board and determined not to stand for re-election as directors of RIM. They currently serve as directors emeritus. Barbara Stymiest ("Stymiest"), and John Wetmore, were appointed to the Board of Directors on March 2, 2007. David Kerr and Roger Martin were appointed to the Board of Directors at the Company's 2007 annual general meeting. The Board now comprises eight directors, six of whom are independent of the Company. The only directors who continue in a management role are Balsillie and Lazaridis, RIM's co-CEOs.
- (m) Stymiest is the chair of the Audit Committee and is an audit committee financial expert, as defined under applicable securities laws.
- (n) On March 2, 2007, Kavelman agreed to step down as the Company's CFO and from any financial reporting function. At the same time, Loberto agreed to step down as Vice-President, Finance and he no longer has a financial reporting function. Both of them now work on the operations side of RIM.
- (o) The Board replaced the interim guidelines adopted in December 2006 with a formal Policy on Granting Equity Awards in June 2007. The

Oversight Committee and the Compensation Committee periodically review the Company's policies with respect to Option granting practices.

- (p) In July 2007, the Board determined that non-management Board members would not be compensated with Options.
- (q) RIM has paid about \$45 million to investigate and deal with Incorrect Dating Practices at the Company. Balsillie and Lazaridis have paid a total of \$15 million (\$7.5 million each) towards those costs.

PART VI – TERMS OF SETTLEMENT

- 59. The Respondents agree to the terms of settlement listed below.
- 60. Balsillie undertakes not to act as a director of any reporting issuer until the later of (a) twelve months from the date of the Commission order approving this settlement with him, and (b) RIM's compliance with the paragraphs 17 and 18 of the Governance Assessment document attached at as Schedule "C" to this document.
- 61. Balsillie, Lazaridis and Kavelman undertake to contribute \$38.3 million (which includes interest of \$5.3 million) to RIM in respect of the outstanding benefit arising from incorrectly priced stock options granted to all employees from 1996 to 2006.
- 62. Balsillie, Lazaridis and Kavelman undertake to contribute \$44.8 million to RIM to defray costs incurred by RIM in the investigation and remediation of stock options granting practices and related governance practices at RIM, which will be reduced by \$15 million as credit for amounts already paid by Balsillie and Lazaridis in respect of costs incurred.
- 63. As determined by the Board, with the Individual Respondents abstaining, to be in the best interests of RIM, the amounts described in paragraphs 61 and 62 may be

settled by Balsillie, Lazaridis and Kavelman agreeing not to exercise certain vested RIM stock options that collectively have a fair value equal to the amounts described in paragraphs 61 and 62. The fair value of such RIM stock options is to be determined on a Black-Scholes calculation based on the last trading day prior to the issuance of a Notice of Hearing in this matter.

64. Lazaridis undertakes to complete a course acceptable to Staff regarding the duties of directors and officers of public companies no later than twelve months from the date of the Commission order approving this settlement with him.
65. Each of Loberto, Cork, Wright, Estill, and Fregin undertakes that he has repaid to RIM any increased benefit he received from the allocation to him of incorrectly priced options.
66. The Commission will make an order pursuant to sections 127(1) and 127.1 of the Act as follows:
 - (a) The settlement is approved;
 - (b) RIM shall submit to a review of its practices and procedures pursuant to s.127(1)(4) of the Act by an independent person to be selected by the Commission and paid for by RIM (the “Independent Review”) as set out in Schedule “C” to this document;
 - (c) James Balsillie:
 - (i) shall pay an administrative penalty of \$5 million to be allocated for the benefit of third parties by the Commission, pursuant to section 3.4(2) of the Act;
 - (ii) shall pay \$700,000 to the Commission towards the costs of its investigation; and
 - (iii) shall be reprimanded by the Commission.

- (d) Mike Lazaridis:
- (i) shall pay an administrative penalty of \$1.5 million to be allocated for the benefit of third parties by the Commission, pursuant to section 3.4(2) of the Act;
 - (ii) shall pay \$150,000 to the Commission towards the costs of its investigation; and
 - (iii) shall be reprimanded by the Commission.
- (e) Dennis Kavelman:
- (i) is prohibited from becoming or acting as a director or officer of any reporting issuer until the later of (a) five years from the date of the Commission order approving this settlement with him, and (b) the date he completes a course acceptable to Staff regarding the duties of directors and officers of public companies;
 - (ii) shall pay an administrative penalty of \$1.5 million to be allocated for the benefit of third parties by the Commission, pursuant to section 3.4(2) of the Act;
 - (iii) shall pay \$150,000 to the Commission towards the costs of its investigation; and
 - (iv) shall be reprimanded by the Commission.
- (f) Angelo Loberto:
- (i) is prohibited from becoming or acting as a director or officer of any reporting issuer, until he has completed a course acceptable to Staff regarding the duties of directors and officers of public companies;
 - (ii) shall pay \$50,000 to the Commission towards the costs of its investigation; and
 - (iii) shall be reprimanded by the Commission.
- (g) Kendall Cork:
- (i) shall complete a course acceptable to Staff regarding the duties of directors and officers of public companies no later than twelve

months from the date of the Commission order approving a settlement with him, failing which he will be prohibited from acting as a director pending completion of such course; and

(ii) shall be reprimanded by the Commission.

(h) Douglas Wright

(i) shall complete a course acceptable to Staff regarding the duties of directors and officers of public companies no later than twelve months from the date of the Commission order approving a settlement with him, failing which he will be prohibited from acting as a director pending completion of such course; and

(ii) shall be reprimanded by the Commission.

(i) James Estill:

(i) shall complete a course acceptable to Staff regarding the duties of directors and officers of public companies no later than twelve months from the date of the Commission order approving a settlement with him, failing which he will be prohibited from acting as a director pending completion of such course; and

(ii) shall be reprimanded by the Commission.

(j) Douglas Fregin shall complete a course acceptable to Staff regarding the duties of directors and officers no later than twelve months from the date of the Commission order approving a settlement with him, failing which he will be prohibited from acting as a director of a reporting issuer pending completion of such a course.

(k) The Individual Respondents will not seek, accept, or be offered indemnification from RIM for any of the payments associated with or paid by the Individual Respondents as a result of this settlement and any resulting Commission order.

PART VII – STAFF COMMITMENT

67. If the Commission approves this Settlement Agreement, Staff will not commence any proceeding under Ontario securities law in relation to the facts set out in Part III of this Settlement Agreement, subject to the provisions below.
68. If the Commission approves this Settlement Agreement and a Respondent fails to comply with any of the terms of the Settlement Agreement, Staff may bring proceedings under Ontario securities law against that Respondent. These proceedings may be based on, but are not limited to, the facts set out in Part III of this Settlement Agreement as well as the breach of the Settlement Agreement.

PART VIII – PROCEDURE FOR APPROVAL OF SETTLEMENT

69. The parties will seek approval of this Settlement Agreement at a public hearing before the Commission, according to the procedures set out in this Settlement Agreement and the Commission's Rules of Practice.
70. Staff and the Respondents agree that this Settlement Agreement will form all of the agreed facts that will be submitted at the settlement hearing on the Respondents' conduct, unless the parties agree that additional facts should be submitted at the settlement hearing.
71. If the Commission approves this Settlement Agreement, the Respondents agree to waive all rights to a full hearing, judicial review or appeal of this matter under the Act.
72. Without limiting in any way Respondents' ability to make full answer and defence in, or enter into settlements with respect to, any civil, criminal or other proceeding, if the Commission approves this Settlement Agreement, neither party will make any public statement that is inconsistent with this Settlement Agreement or with any additional agreed facts submitted at the settlement hearing.

73. Whether or not the Commission approves this Settlement Agreement, the Respondents will not use, in any proceeding, this Settlement Agreement or the negotiation or process of approval of this agreement as the basis for any attack on the Commission's jurisdiction, alleged bias, alleged unfairness, or any other remedies or challenges that may otherwise be available.

PART IX – DISCLOSURE OF SETTLEMENT AGREEMENT

74. If the Commission does not approve this Settlement Agreement or does not make the order attached as Schedule "A" to this Settlement Agreement:
- (a) This Settlement Agreement and all discussions and negotiations between Staff and the Respondents before the settlement hearing takes place will be without prejudice to Staff and the Respondents; and
 - (b) Staff and the Respondents will each be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing of the allegations contained in the Statement of Allegations. Any proceedings, remedies and challenges will not be affected by this Settlement Agreement, or by any discussions or negotiations relating to this agreement.
75. Both parties will keep the terms of the Settlement Agreement confidential until the Commission approves the Settlement Agreement. At that time, the parties will no longer have to maintain confidentiality. If the Commission does not approve the Settlement Agreement, both parties must continue to keep the terms of the Settlement Agreement confidential, unless they agree in writing not to do so or if required by law.

PART X – EXECUTION OF SETTLEMENT AGREEMENT

76. The parties may sign separate copies of this agreement. Together, these signed copies will form a binding agreement.

77. A fax or PDF copy of any signature will be treated as an original signature.

Dated this 27th day of January, 2009.

Research In Motion Limited

By: “Grant Gardiner”

Name: Grant Gardiner

Title: Legal Counsel, Regulatory
and Compliance

Dated this 27th day of January, 2009

“James Balsillie”
James Balsillie

Dated this 27th day of January, 2009

“Mike Lazaridis”
Mike Lazaridis

Dated this 27th day of January, 2009

“Dennis Kavelman”
Dennis Kavelman

Dated this 27th day of January, 2009

“Angelo Loberto”
Angelo Loberto

Dated this 28th day of January, 2009

“Kendall Cork”
Kendall Cork

Dated this day of January, 2009

“Douglas Wright”
Douglas Wright

Dated this day of January, 2009

“James Estill”
James Estill

Dated this 27th day of January, 2009

“Douglas Fregin”
Douglas Fregin

Dated this 27th day of January, 2009

“Peggy Dowdall-Logie”
Peggy Dowdall-Logie
Executive Director and Chief
Administrative Officer
For: Staff of the Ontario Securities
Commission

SCHEDULE “A”

**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**

**ORDER
(Sections 127 and 127.1)**

WHEREAS on _____, 2009 the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing and related Statement of Allegations (the “Notice of Hearing”) in respect of Research In Motion Limited (“RIM”), James Balsillie, Mike Lazaridis, Dennis Kavelman, Angelo Loberto, Kendall Cork, Douglas Wright, James Estill, and Douglas Fregin (collectively the “Respondents” or, apart from RIM, the “Individual Respondents”);

AND WHEREAS the Respondents have entered into a settlement agreement with Staff of the Commission dated January ___, 2009 (the “Settlement Agreement”) in relation to the matters set out in the Notice of Hearing;

UPON reviewing the Notice of Hearing and Settlement Agreement, and upon hearing submissions from counsel for the Respondents and for Staff of the Commission (the “Staff”);

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this Order;

IT IS HEREBY ORDERED that:

- (a) The settlement is approved;
- (b) RIM shall submit to a review of its practices and procedures pursuant to s.127(1)(4) of the Act by an independent person agreed to by Staff of the

Commission and RIM and paid for by RIM, as set out in Schedule “C” to the Settlement Agreement;

(c) James Balsillie:

- (i) shall pay an administrative penalty of \$5 million to be allocated for the benefit of third parties by the Commission, pursuant to section 3.4(2) of the Act;
- (ii) shall pay \$700,000 to the Commission towards the costs of its investigation; and
- (iii) shall be reprimanded by the Commission.

(d) Mike Lazaridis:

- (i) shall pay an administrative penalty of \$1.5 million to be allocated for the benefit of third parties by the Commission, pursuant to section 3.4(2) of the Act;
- (ii) shall pay \$150,000 to the Commission towards the costs of its investigation; and
- (iii) shall be reprimanded by the Commission.

(e) Dennis Kavelman:

- (i) is prohibited from becoming or acting as a director or officer of any reporting issuer until the later of (a) five years from the date of the Commission order approving a settlement with him, and (b) the date he completes a course acceptable to Staff of the Commission regarding the duties of directors and officers of public companies;

- (ii) shall pay an administrative penalty of \$1.5 million to be allocated for the benefit of third parties by the Commission, pursuant to section 3.4(2) of the Act;
 - (iii) shall pay \$150,000 to the Commission towards the costs of its investigation; and
 - (iv) shall be reprimanded by the Commission.
- (f) Angelo Loberto:
 - (i) is prohibited from becoming or acting as a director or officer of any reporting issuer, until he has completed a course acceptable to Staff regarding the duties of directors and officers of public companies;
 - (ii) shall pay \$50,000 to the Commission towards the costs of its investigation; and
 - (iii) shall be reprimanded by the Commission.
- (g) Kendall Cork:
 - (iii) shall complete a course acceptable to Staff regarding the duties of directors and officers of public companies no later than twelve months from the date of the Commission order approving a settlement with him, failing which he will be prohibited from acting as a director pending completion of such course; and
 - (iv) shall be reprimanded by the Commission.

- (h) Douglas Wright:
 - (i) shall complete a course acceptable to Staff regarding the duties of directors and officers of public companies no later than twelve months from the date of the Commission order approving a settlement with him, failing which he will be prohibited from acting as a director pending completion of such course; and
 - (ii) shall be reprimanded by the Commission.
- (i) James Estill:
 - (iii) shall complete a course acceptable to Staff regarding the duties of directors and officers of public companies no later than twelve months from the date of the Commission order approving a settlement with him, failing which he will be prohibited from acting as a director pending completion of such course; and
 - (iv) shall be reprimanded by the Commission.
- (j) Douglas Fregin: shall complete a course acceptable to Staff regarding the duties of directors and officers no later than twelve months from the date of the Commission order approving a settlement with him, failing which he will be prohibited from acting as a director of a reporting issuer pending completion of such a course.
- (k) The Individual Respondents will not seek, accept, or be offered indemnification from or through RIM for any of the payments associated with or paid by the Individual Respondents as a result of this settlement and any resulting Commission order.

Dated at Toronto this ___th day of January, 2009.

SCHEDULE “B”

RIM made the following filings in which statements were made that were misleading or untrue:

- Prospectus dated December 4, 1996;
- Prospectus dated October 17, 1997 and filed on SEDAR on October 17, 1997;
- Management information circular dated June 2, 1998 and filed on SEDAR on June 19, 1998;
- Management information circular dated June 9, 1999 and filed on SEDAR on June 18, 1999;
- Annual report for the fiscal year ended February 28, 1999 and filed on SEDAR on June 18, 1999;
- Audited annual financial statements for the fiscal year ended February 28, 1999 and filed on SEDAR on June 18, 1999;
- Short form prospectus dated October 13, 1999 and filed on SEDAR on October 13, 1999;
- Supplemented short form prospectus dated October 13, 1999 and filed on SEDAR on October 15, 1999;
- Audited annual financial statements for the fiscal year ended February 29, 2000 and filed on SEDAR on July 7, 2000;
- Management information circular dated June 12, 2000 and filed on SEDAR on July 7, 2000;
- Annual report for the fiscal year ended February 29, 2000 and filed on SEDAR on July 7, 2000;
- Short form prospectus dated October 26, 2000 and filed on SEDAR on October 26, 2000;
- Supplemented short form prospectus dated October 26, 2000 and filed on SEDAR on October 27, 2000;
- Management information circular dated June 15, 2001 and filed on SEDAR on June 29, 2001;
- Audited annual financial statements for the fiscal year ended February 28, 2001 and filed on SEDAR on June 29, 2001;
- Annual report for the fiscal year ended February 28, 2001 and filed on SEDAR on July 3, 2001;

- Interim financial statements for the three months ended June 2, 2001 and filed on SEDAR on July 5, 2001;
- Interim financial statements for the three and six months ended September 1, 2001 and filed on SEDAR on October 5, 2001;
- Interim financial statements for the three and nine months ended December 1, 2001 and filed on SEDAR on January 28, 2002;
- Management information circular dated July 2, 2002 and filed on SEDAR on July 10, 2002;
- Annual report for the fiscal year ended March 2, 2002 and filed on SEDAR on July 10, 2002;
- Audited annual financial statements for the fiscal year ended March 2, 2002 and filed on SEDAR on July 10, 2002;
- Interim financial statements for the three months ended June 1, 2002 and filed on SEDAR on July 19, 2002;
- Interim financial statements for the three and six months ended August 31, 2002 and filed on SEDAR on October 28, 2002;
- Interim financial statements for the three and nine months ended November 30, 2002 and filed on SEDAR on January 13, 2003;
- Audited annual financial statements for the fiscal year ended March 1, 2003 and filed on SEDAR on June 5, 2003;
- Annual report for the fiscal year ended March 1, 2003 and filed on SEDAR on June 25, 2003;
- Management information circular dated May 30, 2003 and filed on SEDAR on June 25, 2003;
- Interim financial statements for the three months ended May 31, 2003 and filed on SEDAR on July 29, 2003;
- Interim financial statements for the three and six months ended August 30, 2003 and filed on SEDAR on September 26, 2003;
- Audited annual financial statements for the fiscal year ended March 1, 2003 and filed on SEDAR on January 7, 2004;
- Interim financial statements for the three and nine months ended November 29, 2003 and filed on SEDAR on January 7, 2004;
- Short form prospectus dated January 14, 2004 and filed on SEDAR on January 14, 2004;
- Supplemented short form prospectus dated January 14, 2004 and filed on SEDAR on January 15, 2004;

- Audited annual financial statements for the fiscal year ended February 28, 2004 prepared in accordance with Canadian GAAP and filed on SEDAR on June 8, 2004;
- Audited annual financial statements for the fiscal year ended February 28, 2004 prepared in accordance with U.S. GAAP and filed on SEDAR on June 8, 2004;
- Management information circular dated June 8, 2004 and filed on SEDAR on June 16, 2004;
- Annual report for the fiscal year ended February 28, 2004 and filed on SEDAR on June 16, 2004;
- Interim financial statements for the three months ended May 29, 2004 and filed on SEDAR on July 7, 2004;
- Interim financial statements for the three and six months ended August 28, 2004 and filed on SEDAR on October 7, 2004;
- Interim financial statements for the three and nine months ended November 27, 2004 and filed on SEDAR on January 7, 2005;
- Interim financial statements for the three and nine months ended November 27, 2004 and filed on SEDAR on January 10, 2005;
- Audited annual financial statements for the fiscal year ended February 26, 2005 prepared in accordance with Canadian GAAP and filed on SEDAR on May 6, 2005;
- Audited annual financial statements for the fiscal year ended February 26, 2005 prepared in accordance with U.S. GAAP and filed on SEDAR on May 6, 2005;
- Management information circular dated May 31, 2005 and filed on SEDAR on June 20, 2005;
- Annual report for the fiscal year ended February 26, 2005 and filed on SEDAR on June 20, 2005;
- Interim financial statements for the three months ended May 28, 2005 and filed on SEDAR on June 30, 2005;
- Interim financial statements for the three and six months ended August 27, 2005 and filed on SEDAR on October 6, 2005;
- Interim financial statements for the three and nine months ended November 26, 2005 and filed on SEDAR on January 6, 2006;
- Audited annual financial statements for the fiscal year ended March 4, 2006 and filed on SEDAR on May 10, 2006;
- Annual report for the fiscal year ended March 4, 2006 and filed on SEDAR on May 10, 2006;
- Management information circular dated June 2, 2006 and filed on SEDAR on June 16, 2006;

- Interim financial statements for the three months ended June 3, 2006 and filed on SEDAR on July 4, 2006.

SCHEDULE "C"

GOVERNANCE ASSESSMENT OF RESEARCH IN MOTION LIMITED

1. Research In Motion Limited ("RIM" or the "Company") shall within 30 days of the settlement being approved by the Commission, retain, and enter into an agreement with an independent consultant (the "Consultant"), in accordance with paragraph 3, below, to conduct, at RIM's expense, a comprehensive examination and review of RIM and to report to RIM's board of directors (the "Board") and to the Staff of the Commission ("Staff") on RIM's governance practices and procedures and internal control over financial reporting including the areas of assessment identified in paragraph 2, below.

2. The Consultant shall assess, review and report to the Board and to Staff on whether RIM has:
 - (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, including:
 - (i) director recruitment, selection, orientation and education practices and procedures, as well as the manner and extent of compliance with those practices and procedures;
 - (ii) processes and procedures to promote independence from management, as well as the manner and extent of compliance with those processes and procedures;
 - (iii) processes and procedures addressing information flow to the Board;
 - (iv) processes and procedures addressing director engagement, relationship with and oversight and evaluation of management, external auditor, internal auditor, internal counsel and external counsel; and
 - (v) establishment and oversight of corporate policy framework to govern major risks and activities of the enterprise;

- (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, including:
 - (i) remediation of accounting and reporting for stock options with implementation of appropriate processes and control activities;
 - (ii) processes and procedures to ensure knowledge of and compliance with public company obligations and proper standards of corporate governance;
 - (iii) processes and procedures addressing management engagement; and
 - (iv) processes and procedures addressing management's relationship with the Board;

- (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, including:
 - (i) oversight of ethics compliance by the Board and senior management, including written compliance reports and direct Board reporting by compliance personnel as appropriate;
 - (ii) dissemination of ethics program communications by senior management;
 - (iii) an appropriate code of conduct;
 - (iv) enforcement of applicable standards;
 - (v) measurement of compliance program effectiveness and procedural review and modification as appropriate;
 - (vi) ethics and compliance policies, including the adequacy and effectiveness of any whistleblower procedures designed to allow employees and others to report confidentially matters that may bear on RIM's obligations, including financial reporting; and
 - (vii) internal reporting mechanisms for employees, with protocols for investigating employee reports and protection of employees;

- (d) processes and procedures appropriate to RIM to comply with Ontario securities law requirements with respect to internal control over financial reporting, including:
 - (i) compliance standards and procedures, including an internal audit plan, financial reporting controls, compliance structure and employee handbook or policy and procedures manual;
 - (ii) monitoring and auditing systems, including internal audit, financial audit, and compliance audit plans; and

- (iii) a risk assessment program;
 - (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, including:
 - (i) procedures to comply with the audit committee review requirements in NI 52-110, *Audit Committees*;
 - (ii) procedures to comply with the disclosure requirements of NI 52-109, *Certification of Disclosure in Issuers' Annual and Interim Filings* and/or applicable Sarbanes Oxley requirements; and
 - (iii) procedures to ensure the Board can properly meet its disclosure approval obligations under NI 51-102, *Continuous Disclosure Obligations*.
- 3. Staff and RIM agree that Protiviti Co. will act as the Consultant. The Consultant will execute a non-disclosure agreement acceptable to the Company, which will cover all disclosures and communications not otherwise specifically addressed in this document.
- 4. The Consultant shall have the right, as reasonable and necessary in the circumstances, to retain, at RIM's expense, lawyers, accountants, and other persons or firms, other than (i) officers, directors, or employees of RIM, or (ii) persons or entities who have acted for or advised any other person or entity in relation to the events giving rise to this assessment (unless RIM is prepared to agree in writing to waive any such conflict), to assist in the discharge of the Consultant's obligations. RIM shall pay all reasonable fees and expenses, as reasonably documented, of any persons or firms retained by the Consultant.
- 5. The Consultant and its staff shall have access, in a reasonably timely manner and for reasonable periods of time, to:
 - (a) all of RIM's books and records that are necessary to complete the Consultant's mandate, other than those that are subject to lawyer-client or other legal privileges; and
 - (b) all of RIM's directors, officers, employees and advisors necessary to complete the Consultant's mandate, again subject to lawyer-client or other legal privileges.

6. To facilitate the Consultant's efficient and timely review and to minimize disruption to Company operations, RIM shall delegate a member of senior management (the "RIM Delegate") acceptable to the Consultant, who will be its main point of contact with RIM management and employees and who will ensure that the Consultant has reasonably prompt access to the people and materials referred to in paragraph 5, above, taking into consideration that other business or personal obligations may dictate that relevant individuals or materials may not always be immediately accessible.
7. The Board and senior management shall also instruct employees that their full cooperation with the Consultant is required, but that such employees may seek direction from the RIM Delegate, or RIM's internal or external counsel, with respect to communications with the Consultant.
8. The Board shall designate an independent director acceptable to the Consultant who will be available to meet with the Consultant as reasonably necessary, taking into account that other business or personal obligations may dictate that such director may not always be immediately accessible, and who will facilitate communication with and reporting to the Board.
9. The Board shall meet with the Consultant at regularly scheduled meetings of the Board at the request of, and on reasonable notice by, the Consultant. Some or all of such meetings shall take place in the absence of management and of the non-independent directors.
10. The Consultant shall prepare a draft of its final report ("Draft Report") and provide that Draft Report to RIM for review and comment before that report is finalized and delivered.
11. The Consultant shall report regularly to Staff and, to the extent reasonably possible in the circumstances, shall deliver a final report (the "Final Report") to RIM and Staff within six months of its appointment.
12. The Final Report shall address the Consultant's review of the areas of review specified above and shall include a description of the review performed, the conclusions reached, recommendations for any changes or improvements to

- RIM's policies and procedures as the Consultant reasonably deems necessary to conform to the law in Canada and best practices, including an assessment of whether or not certain deficiencies that may be identified are substantial enough to require changes or improvements, and possible procedures for implementing the recommended changes or improvements.
13. Within forty-five days of its receipt of the Final Report RIM shall adopt the recommendations contained in the Final Report or advise the Consultant and Staff in writing of any recommendations that it considers unnecessary or inappropriate. With respect to any recommendation that RIM considers unnecessary or inappropriate, RIM need not adopt that recommendation at that time, but RIM shall propose, in writing, an alternative policy, procedure, or system designed to achieve the same objective or purpose, or shall identify the policies, procedures or systems already in place that RIM believes achieve the same objective or purpose, or, if neither of those options is practicable or necessary, shall identify why the recommendation is unnecessary or inappropriate to RIM.
 14. Within forty-five days of RIM advising the Consultant and Staff in writing of any recommendations that it considers unnecessary or inappropriate, RIM and the Consultant shall attempt in good faith to reach an agreement with respect to any recommendations of the Consultant to which RIM and the Consultant do not agree. In the event that RIM and the Consultant are unable to agree on an alternative proposal, then, in addition to any other disclosure it makes on the matter, a committee comprised of all the independent directors must set out in writing RIM's reasons for not implementing the recommendation and how RIM will address the issues raised by the recommendation, or how, in RIM's view, the issue raised by the recommendation has already been addressed or need not be addressed.
 15. A summary of the Consultant's recommendations contained in the Final Report, as may be modified by the discussions and good faith negotiations identified in paragraphs 13 and 14, above, will be posted on the Commission website and disclosed in RIM's Management Discussion & Analysis ("MD&A").
 16. RIM shall retain the Consultant for a period of twelve months from the date of appointment. The Consultant shall review the implementation of its recommendations in its Final Report that RIM has agreed to implement, as may be modified by the discussions and good faith negotiations identified in paragraphs 13 and 14, above, and provide a report to the Board, its audit

committee, and to Staff twelve months after appointment, concerning the progress of the implementation. If, at the conclusion of this twelve-month period, not all the recommendations of the Consultant (to the extent deemed significant by Staff) that RIM has agreed to implement in whole or in part or with modifications have been substantially implemented for at least two successive fiscal quarters, Staff may, in its discretion, direct RIM to extend the Consultant's term of appointment, on substantially the same terms, until such time as all recommendations (to the extent deemed significant by Staff) accepted by RIM have been substantially implemented for at least two successive fiscal quarters.

17. For each recommendation made in the Final Report that RIM has agreed to implement, as may be modified by the discussions and good faith negotiations identified in paragraphs 13 and 14 above, RIM shall disclose in its MD&A:
 - (a) a description of the recommendation that RIM has agreed to implement; and
 - (b) RIM's plan, along with any actions already undertaken, to implement the recommendation.
18. Following the completion of the steps identified above, if the independent directors determine not to implement in whole or in part one or more of the recommendations in the Final Report, as may be modified by the discussions and good faith negotiations identified in paragraphs 13 and 14 above, RIM shall disclose in its MD&A the independent directors' reasons for not implementing any such recommendations and how RIM has addressed or proposes to address the issue raised by such recommendations, or shall identify why the recommendation is unnecessary or inappropriate to RIM.
19. Other than with respect to those recommendations that RIM's independent directors determine not to implement in accordance with paragraphs 14 and 18, RIM shall continue to make the disclosure provided for in paragraph 17, above, until the recommendations have been addressed in a manner satisfactory to the Consultant and to Staff, acting reasonably.
20. The Consultant shall submit a monthly statement of associated costs and expenses to RIM, and, assuming such costs and expenses are reasonable in the circumstances, the Company shall make payment within thirty days of receipt.

21. For the period of engagement and for a period of two years from completion of the engagement, the Consultant shall not enter into any employment, consultant, attorney-client, auditing, or other professional relationship with RIM, or any of its present or former affiliates, directors, officers, employees, or agents acting in their capacity as such, and shall require that any firm with which the Consultant is affiliated or of which the Consultant is a member, except for Robert Half Canada, or any person engaged to assist the Consultant in performance of the Consultant's duties under the Settlement Agreement and Commission order not, without prior written consent of Staff, enter into any employment, consultant, attorney-client, auditing, or other professional relationship with RIM, or any of its present or former affiliates, directors, officers, employees, or agents acting in their capacity as such for the period of the engagement and for a period of two years after the engagement.

JAA/mm