

IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
ONTARIO, QUEBEC, BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA,  
NOVA SCOTIA, PRINCE EDWARD ISLAND AND NEWFOUNDLAND AND LABRADOR

AND

IN THE MATTER OF  
THE MUTUAL RELIANCE REVIEW SYSTEM FOR  
EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF  
RESEARCH IN MOTION LIMITED

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the Decision Maker) in each of Ontario, Quebec, British Columbia, Alberta, Saskatchewan, Manitoba, Nova Scotia, Prince Edward Island and Newfoundland and Labrador (collectively, the Jurisdictions) has received an application from Research In Motion Limited (the Filer) for a decision under the securities legislation of the Jurisdictions (the Legislation) that:

(i) the requirements contained in the Legislation (the CD GAAP & GAAS Requirements) to file annual and interim financial statements prepared in accordance with Canadian generally accepted accounting principles (Canadian GAAP) and, in the case of the annual financial statements, audited in accordance with Canadian generally accepted auditing standards (Canadian GAAS); and

(ii) the requirements contained in the Legislation (the Prospectus GAAP & GAAS Requirements) to include in a short form prospectus annual and interim financial statements prepared in accordance with Canadian GAAP and, in the case of the annual financial statements, audited in accordance with Canadian GAAS,

will not apply to the Filer;

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the System), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS the Filer has represented to the Decision Makers as follows:

1. The Filer is a designer, manufacturer and marketer of wireless solutions for the worldwide mobile communications market.

2. The Filer was originally incorporated pursuant to articles of incorporation under the laws of the Province of Ontario on March 7, 1984.
3. The Filer's head office is located in Waterloo, Ontario and operates in offices in North America, Europe and Asia Pacific.
4. The Filer's common shares (the Common Shares) are listed on the Nasdaq Stock Market (Nasdaq: RIMM) and the Toronto Stock Exchange (TSX: RIM).
5. The Filer is a reporting issuer in each of the Jurisdictions and is not in default of any requirements under the Legislation.
6. The Filer is qualified to file a short form prospectus under National Instrument 44-101 *Short Form Distributions*.
7. The Filer has a class of securities registered under section 12 of the *Securities Act of 1934* (the 1934 Act). The Filer is not registered or required to be registered as an investment company under the *Investment Company Act of 1940* of the United States of America.
8. The Filer's year end for fiscal 2004 is February 28, 2004 and its first quarter for fiscal 2004 ended on May 31, 2003.
9. The Filer currently prepares its annual and interim financial statements in accordance with Canadian GAAP. The annual financial statements of the Filer are currently audited in accordance with Canadian GAAS.
10. The Filer will continue to comply with the requirements of its jurisdiction of incorporation (Ontario) as they relate to the preparation and audit of annual financial statements in accordance with Canadian GAAP and Canadian GAAS, respectively (and the delivery thereof), which requirements are prescribed by the *Business Corporations Act* (Ontario).
11. The Filer is satisfied that it has obtained and applied the necessary level of expertise of the generally accepted accounting principles in the United States that the Securities and Exchange Commission (the SEC) has identified as having substantial authoritative support, as supplemented by Regulation S-X and Regulation S-B under the 1934 Act (US GAAP) to support the preparation of US GAAP financial statements.
12. The Filer's audit committee has taken steps to ensure it has, or has access to, the necessary expertise in relation to US GAAP and that management has put in place systems to ensure that the appropriate levels and numbers of staff have and will maintain the level of expertise in US GAAP necessary to prepare reliable, high quality financial statements.
13. The Filer's audit committee has satisfied itself as to the adequacy of the expertise of the audit engagement team and the audit firm in relation to the application of US GAAP and generally accepted auditing standards in the United States, as supplemented by the SEC's rules on auditor independence (US GAAS).

AND WHEREAS under the System, this MRRS Decision Document evidences the decisions of each Decision Maker (collectively, the Decisions);

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decisions has been met;

THE DECISION of the Decision Makers under the Legislation is that the CD GAAP & GAAS Requirements will not apply to the Filer's annual and interim financial statements required to be filed under the Legislation provided that:

- (a) the Filer's Common Shares are registered under section 12 of the 1934 Act and the Applicant is not registered or required to register as an investment company under the United States *Investment Company Act of 1940*;
- (b) the Filer's annual and interim financial statements required to be filed under the Legislation are prepared in accordance with United States GAAP and, in the case of annual financial statements, audited in accordance with United States GAAS;
- (c) the notes to the first two sets of annual comparative financial statements filed after the date of this Decision and the notes to the interim financial statements for interim periods during those two years:
  - (i) explain the material differences between Canadian GAAP and United States GAAP that relate to recognition, measurement and presentation,
  - (ii) quantify the effect of material differences between Canadian GAAP and United States GAAP that relate to recognition, measurement and presentation, including a tabular reconciliation between net income reported in the financial statements and net income computed in accordance with Canadian GAAP, and
  - (iii) provide disclosure consistent with Canadian GAAP requirements to the extent not already reflected in the financial statements;
- (d) the notes to the financial statements identify the accounting principles used to prepare the financial statements;
- (e) the Filer files a supplement to the Management Discussion and Analysis ("MD&A") relating to each of the financial statements referred to in paragraph (c) above that will restate, based on financial information of the Applicant prepared in accordance with or reconciled to Canadian GAAP, those parts of the MD&A that:

(i) are based on financial statements of the Filer prepared in accordance with United States GAAP, and

(ii) would contain material differences if they were based on financial statements of the Filer prepared in accordance with Canadian GAAP;

(f) the Filer uses United States GAAP generally on a going-forward basis for all of its financial statements filed under its continuous disclosure requirements in the Jurisdictions;

(g) the Filer files an auditor's report on the annual financial statements filed under paragraph (c) above that is prepared in accordance with United States GAAS and that:

(i) contains an unqualified opinion,

(ii) identifies all financial periods presented for which the auditor has issued an auditor's report; if the Filer has changed its auditor and one or more of the comparative periods presented in the financial statements were audited by a different auditor, the auditor's report must refer to any former auditor's report(s) on the comparative periods, and

(iii) identifies the auditing standards used to conduct the audit and the accounting principles used to prepare the financial statements; and

(h) this Decision, as it relates to the jurisdiction of a Decision Maker, will terminate upon publication in final form of any legislation or rule of that Decision Maker dealing with acceptable accounting principles and auditing standards, except proposed National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency* in substantially the same form as published on May 16, 2003, that conflicts with any provision of this Decision;

Dated 25 July, 2003.

"Harold P. Hands"

"Wendell S. Wigle"

AND THE FURTHER DECISION of the Decision Makers is that the Prospectus GAAP and GAAS Requirements will not apply to the Filer's annual and interim financial statements included in a short form prospectus filed under National Instrument 44-101, provided that:

(a) the Filers satisfies conditions (a) through (g) of the Decision, above; and

(b) this Decision, as it relates to the jurisdiction of a Decision Maker, will terminate upon publication in final form of any legislation or rule of that Decision Maker dealing with acceptable accounting principles and auditing standards, except proposed National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency* in substantially the same form as published on May 16, 2003, that conflicts with any provision of this Decision.

Dated 25 July, 2003.

"Cameron McInnis"

#### Headnote

Mutual Reliance Review System for Exemptive Relief Applications – securities of issuer registered under section 12 of the 1934 Act – issuer not required to register under United States *Investment Company Act of 1940* – relief granted from requirement to file annual and interim financial statements prepared in accordance with Canadian GAAP and audited in accordance with Canadian GAAS – relief granted from requirement to include in a short form prospectus annual and interim financial statements prepared in accordance with Canadian GAAP and audited in accordance with Canadian GAAS – relief conditional upon issuer preparing annual and interim financial statements in accordance with US GAAP and audited in accordance with US GAAS – issuer to provide Canadian GAAP reconciliation for two years following date of decision

#### Statutes Cited

*Securities Act*, R.S.O. 1990, c.5, as am., ss. 77, 78, 80(b)(iii)

#### Regulations Cited

R.R.O. 1990, Reg. 1015, as am., s. 2

#### Instruments Cited

National Instrument 44-101 *Short Form Distributions* (2000) 23 O.S.C.B. (supp.) 867