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Headnote

Mutual Reliance Review System for Exemptive Relief Applications – relief granted from the registration requirement for trades by former participants and permitted transferees of securities acquired under a long-term incentive plan – relief granted from the issuer bid requirements for acquisitions of shares under the plan – revocation of a previous order relating to the plan

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, ss. 34(1)(a), 48, 105-108, 110, 114 and 171

IN THE MATTER OF THE SECURITIES LEGISLATION OF BRITISH COLUMBIA, ALBERTA AND MANITOBA

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

AND IN THE MATTER OF BEARINGPOINT, INC.

MRRS DECISION DOCUMENT

- ¶ 1 WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”) in each of British Columbia, Alberta and Manitoba (the “Jurisdictions”) has received an application from BearingPoint, Inc. (formerly, KPMG Consulting Inc.) (“Bearing” or the “Company”) for a decision under the securities legislation of the Jurisdictions (the “Legislation”) that:
- (a) the registration requirement will not apply to certain trades of Shares (as defined below) acquired under the Bearing 2000 Long-Term Incentive Plan (the “Plan”) made through an exchange or market outside of Canada or to a person or company outside of Canada and, in Manitoba, to award exercises by Former Participants and Permitted Transferees (as defined below) through the Agent (as defined below); and
 - (b) the requirements contained in the Legislation relating to the delivery of an offer and issuer bid circular and any notices of change or variation thereto, minimum deposit periods and withdrawal rights, take-up and payment for securities tendered to an issuer bid, disclosure, restrictions upon purchases of securities, financing, identical consideration, collateral benefits, and the requirement to file a reporting form within ten days after an exempt issuer bid and pay a related fee (the “Issuer Bid

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requirements”) will not apply to certain acquisitions by the Company of Shares under the Plans;

- ¶ 2 AND WHEREAS the Company previously received relief from the registration requirement and the Issuer Bid Requirements for certain trades in securities under the Plan in a decision document dated March 29, 2000 (the “Previous Decision”), granted by the Decision Makers under the Mutual Reliance Review System for Exemptive Relief Applications (the “System”);
- ¶ 3 AND WHEREAS the Company has also applied for a decision under the Legislation revoking the Previous Decision;
- ¶ 4 AND WHEREAS under the System, the British Columbia Securities Commission is the principal regulator for this application;
- ¶ 5 AND WHEREAS Bearing has represented to the Decision Makers that:
1. Bearing is incorporated under the laws of the State of Delaware;
 2. effective October 2, 2002, the Company’s name was changed from KPMG Consulting Inc. to BearingPoint, Inc.;
 3. Bearing together with its affiliates (“Bearing Affiliates”) (Bearing and Bearing Affiliates are collectively, the “Bearing Companies”) provides a diversified range of consulting services in the U.S. and in selected international markets;
 4. Bearing is registered with the Securities Exchange Commission (“SEC”) in the U.S. under the U.S. Securities Exchange Act of 1934 (the “Exchange Act”) and is not exempt from the reporting requirements of the Exchange Act pursuant to Rule 12g 3-2;
 5. the Company’s authorized share capital consists of 1,000,000,000 shares of common stock (“Shares”) and 10,000,000 shares of preferred stock (“Preferred Shares”) of which, as of August 31, 2002, there were 189,528,913 Shares and 0 Preferred Shares issued and outstanding;
 6. the Shares are listed on the New York Stock Exchange;
 7. Bearing is not a reporting issuer in any of the Jurisdictions and has no present intention of becoming a reporting issuer in any of the Jurisdictions;
 8. the purposes of the Plan are (i) to align the interests of the Company’s stockholders and the recipients of Awards under the Plan by providing a

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means to increase the proprietary interest of those recipients in the Company's growth and success, (ii) to advance the interests of the Company by increasing its ability to attract and retain highly competent officers, other employees, non-employee directors and consultants and (iii) to motivate those persons to act in the long-term best interests of the Company and its stockholders;

9. under the Plan, options on Shares ("Options"), stock appreciation rights ("SARs"), performance awards ("Performance Shares"), bonus stock awards ("Bonus Stock") and restricted stock awards ("Restricted Stock") (collectively, Options, SARs, Performance Shares, Bonus Stock, Restricted Stock and Shares are "Awards") may be granted to eligible employees, officers and consultants of the Bearing Companies ("Participants");
10. subject to adjustment as described in the Plan, the number of Shares that are authorized for grants or Awards under the Plan (the "Authorized Shares") will at all times be equal to 25% of the sum of (i) the number of issued and outstanding Shares plus (ii) the Authorized Shares, provided, however, that the number of Authorized Shares will never be reduced below the number of Shares that are then issuable under all outstanding grants or Awards;
11. the number of Shares available for grants or Awards under the Plan (the "Available Shares") will equal the number of Authorized Shares reduced by the sum of the aggregate number of Shares, adjusted as provided in the Plan, which become subject to outstanding Options, free-standing SARs, Restricted Stock Awards, Bonus Stock Awards and Performance Share Awards;
12. as of September 4, 2002, there were 491 Participants in Canada eligible to receive Awards under the Plan;
13. Bearing intends to use the services of one or more agents/brokers in connection with the Plan, (each an "Agent"); Morgan Stanley DW, Inc. ("Morgan Stanley") has initially been appointed by Bearing to act as an Agent for the Plan;
14. Morgan Stanley is not registered to trade in any of the Jurisdictions but is registered under applicable U.S. securities or banking legislation to conduct retail trades; Morgan Stanley has been authorized by Bearing to provide services under the Plan;
15. if Morgan Stanley is replaced, or if additional Agents are appointed, the replacement or additional Agents will not be registered to trade in any of the Jurisdictions but will be registered under applicable U.S. securities or banking

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legislation to conduct retail trades and will be authorized by Bearing to provide services under the Plan;

16. the Agent may: (a) disseminate information and materials to Participants in connection with the Plan; (b) assist with the administration of and general record keeping for the Plan; (c) hold Shares on behalf of Participants, Former Participants and Permitted Transferees in limited purpose brokerage accounts; (d) facilitate Award exercises (including cashless exercises and Stock Swap Exercises) under the Plan; (e) facilitate the payment of withholding taxes, if any, by cash or the tendering or withholding of Shares; (f) facilitate the reacquisition of Awards under the terms of the Plan; and (g) facilitate the resale of Shares issued in connection with the Plan;
17. employees of the Bearing Companies who participate in the Plan will not be induced to purchase Shares or to exercise Awards by expectation of employment or continued employment;
18. officers of the Bearing Companies who participate in the Plan will not be induced to purchase Shares or to exercise Awards by expectation of appointment or employment or continued appointment or employment as an officer;
19. consultants eligible to participate in the Plan who participate in the Plan will not be induced to exercise Awards by expectation of the individual consultant, the consultant's company or the consultant's partnership being engaged or continuing to be engaged as a consultant;
20. it is anticipated that consultants (including consultant companies) who will be granted Awards under the Plan, to the extent permitted, will: (a) provide technical, business, management or other services to the Bearing Companies (other than services relating to the sale of securities or promotional/investor relations services); (b) provide consulting services to the Bearing Companies under a written contract; (c) have a relationship with the Bearing Companies that will permit them to be knowledgeable about the business affairs of the Bearing Companies; and (d) will spend a significant amount of time and attention on the affairs and business of one or more of the Bearing Companies;
21. the Plan is administered by a committee (the "Committee") appointed by the board of directors of Bearing (the "Board");
22. Awards and rights under the Plan are not transferable by a Participant other than by will or beneficiary designation or by the laws of intestacy, unless otherwise provided for by the Committee;

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23. after a Participant's relationship with the Bearing Companies ends because of disability, retirement, termination, change of control or any other reason (these Participants are "Former Participants"), and where Awards have been transferred by will or under a beneficiary designation or the laws of intestacy or otherwise after the death of a Participant (beneficiaries of these Awards are "Permitted Transferees"), the Former Participants and Permitted Transferees will continue to have rights in respect of the Plan ("Post-Termination Rights");
24. Post-Termination Rights may include, among other things: (a) the right to exercise Awards for a period determined in accordance with the Plan and the Award; and (b) the right to exercise Awards and to sell Shares acquired under the Plan through the Agent;
25. Post-Termination Rights will only be effective where the Award to which they relate was granted while the Participant had a relationship with the Bearing Companies;
26. among other payment methods, the Plan provides that Shares acquired under the Plan may be paid for: (a) in cash; (b) by the surrender of Shares owned by the Participant to the Company for cancellation ("Stock-Swap Exercises") or to the Agent for resale; (c) in the case of Option exercise, by the retention of a number of Shares by the Company from the total number of Shares into which the Option is exercised; or (d) by a combination of the foregoing;
27. under the Plan, Awards may be forfeited by Participants to the extent the Awards are not exercised within the time prescribed under the Plan or where the Participant's relationship with Bearing is terminated or where performance conditions attached to the Awards are not met or where Awards are cancelled on a merger or sale of assets or on the dissolution or liquidation of Bearing or, in the case of Restricted Stock, where applicable conditions are not satisfied ("Award Cancellations");
28. Bearing has the right to deduct applicable taxes from any payment under the Plan by withholding, at the time of delivery or vesting of cash or Shares under the Plan an appropriate amount of cash or Shares ("Share Withholding Exercises") or a combination thereof for a payment of taxes required by law or to take such other action as may be necessary in the opinion of Bearing or the Committee to satisfy all obligations for the withholding of such taxes;
29. all necessary securities filings have been made in the U.S. in order to offer the Plan to Participants resident in the U.S.;

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30. a prospectus prepared according to U.S. securities laws describing the terms and conditions of the Plan will be delivered to each Participant who is granted an Award under the Plan; the annual reports, proxy materials and other materials Bearing is required to file with the SEC will be provided to Canadian Participants at the same time and in the same manner as the documents are provided or made available to U.S. Participants;
 31. Canadian shareholders do not own, directly or indirectly, more than 10% of the issued and outstanding Shares and do not represent in number more than 10% of the shareholders of Bearing; if at any time during the currency of the Plan Canadian shareholders of Bearing hold, in aggregate, more than 10% of the total number of issued and outstanding Shares or if those shareholders constitute more than 10% of all shareholders of Bearing, Bearing will apply to the relevant Jurisdiction for an order with respect to further trades by Participants, Former Participants and Permitted Transferees in that Jurisdiction for Shares acquired under the Plan;
 32. Participants, Former Participants or Permitted Transferees may exercise Awards and sell Shares acquired under the Plan through an Agent;
 33. because there is no market for the Shares in Canada and none is expected to develop, any resale by Participants, Former Participants and Permitted Transferees of the Shares acquired under the Plan will be effected through the facilities of, and in accordance with the rules and laws applicable to, a stock exchange, or a market, outside of Canada or to a person or company outside of Canada;
 34. under the Plan, the acquisition of Shares by the Company under a Stock-Swap Exercise or Share Withholding Exercise may constitute an issuer bid;
 35. the issuer bid exemptions in the Legislation may not be available for such acquisitions by the Company since the acquisitions may occur at a price that is not calculated in accordance with the “market price”, as defined in the Legislation, and may be made from Permitted Transferees; and
 36. the Legislation of all the Jurisdictions does not contain exemptions from the registration requirement for all the intended trades in Awards under the Plan;
- ¶ 6 AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the “Decision”);

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- ¶ 7 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 Decision has been met;
- ¶ 8 THE DECISION of the Decision Makers under the Legislation is that:
- (a) the registration requirement will not apply to the first trade by Participants, Former Participants or Permitted Transferees in Shares acquired under the Plan, including first trades effected through the Agent, provided the conditions in subsection 2.14(1) of Multilateral Instrument 45-102 “Resale of Securities” are satisfied;
 - (b) in Manitoba, the registration requirement will not apply to Award exercises by Former Participants and Permitted Transferees effected through the Agent; and
 - (c) the Issuer Bid Requirements will not apply to the acquisition by Bearing of Shares from Participants, Former Participants or Permitted Transferees in connection with the Plan provided those acquisitions are made in accordance with the Plan.
- ¶ 9 THE FURTHER DECISION of the Decision Makers is that the Previous Decision is revoked.
- ¶ 10 DATED January 17, 2003

Brenda Leong
Director