

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, Québec, NEWFOUNDLAND AND
LABRADOR AND NOVA SCOTIA

AND

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

AND

IN THE MATTER OF
SR TELECOM INC.

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, Saskatchewan, Manitoba, Ontario, Québec, Newfoundland and Labrador and Nova Scotia (collectively, the "Jurisdictions") has received an application from SR Telecom Inc. ("SR") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirement contained in the Legislation to file insider reports shall not apply to certain individuals who are insiders of SR on the grounds they are "nominal vice-presidents" (as defined in CSA Staff Notice 55-306 *Application for Relief from the Insider Reporting Requirements by Certain Vice-Presidents* (the "Staff Notice")).

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the *Commission des valeurs mobilières du Québec* is the Principal Regulator for this application;

AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 - Definitions or in Quebec Commission Notice 14-101;

AND WHEREAS SR has represented to the Decision Makers that:

1. SR is a corporation incorporated pursuant to the *Canada Business Corporations Act*.
2. SR is a reporting issuer (or equivalent) in each of the provinces of Canada and, to the best of its knowledge, is not in default of its requirements under the Legislation.
3. The authorized share capital of SR consists of an unlimited number of Common Shares and an unlimited number of Preferred Shares (collectively, the "SR

Shares"). As at July 25th, 2003, there were outstanding 60,946,415 SR Common Shares, and no shares of any other class of shares of SR had been issued.

4. The SR Shares are listed and traded on the Toronto Stock Exchange (the "TSX").

5. SR is a world leader and innovator in Point-to-Multipoint ("PMP") fixed wireless access solutions. It offers a full range of products and services including equipment, network planning, project management, installation and maintenance. Its PMP wireless telecommunications systems are among the most advanced and reliable available today. Used by telecom operators worldwide, SR's fixed wireless technology provides high-quality voice and data for applications ranging from everyday telephone service to broadband Internet access.

6. SR maintains a corporate disclosure and insider trading policy (the "Policy") that applies to all directors, officers and employees of SR. SR has also taken steps to establish a corporate disclosure committee (the "Disclosure Committee") with a mandate to monitor the effectiveness of and compliance with the Policy and oversee SR's disclosure practices.

7. Pursuant to the Policy, insiders and employees and other persons in a "special relationship" (as defined in the Policy) with SR (collectively, the "Insiders") who have knowledge of material undisclosed information are prohibited from trading in securities of SR until the information has been fully disclosed publicly and a reasonable period of time (at least two full trading days) has passed for the information to be widely disseminated. In addition, the Insiders may not trade in securities of SR during "black-out" periods around the preparation of financial results or any other "black-out" period as determined by the board of directors of SR (the "Board of Directors").

8. As of August 21, 2003, 27 persons were "insiders" of SR, by reason of being a senior officer or director or significant shareholder of SR or its subsidiaries. No SR insiders are currently exempt from insider reporting requirements by reason of an existing exemption, such as under National Instrument 55-101, or a previous decision or order. SR has made this application in respect of 5 individuals (the "Exempted Vice-Presidents").

9. Each of the Exempted Vice-Presidents meets the definition of "nominal vice-president" (as defined in the Staff Notice):

(a) the individual is a vice-president;

(b) the individual is not in charge of a principal business unit, division or function of SR or a "major subsidiary" of SR (as defined in National Instrument 55-101);

(c) the individual does not in the ordinary course receive or have access to information as to material facts or material changes concerning SR before the material facts or material changes are generally disclosed; and

(d) the individual is not an insider of SR in any other capacity.

10. SR determined that each of the Exempted Vice-Presidents meets the criteria for exemption set out in the Staff Notice, by considering each such Exempted Vice-President's activities and responsibilities within SR and/or its major subsidiaries, as applicable.

11. On an ongoing basis, SR intends to monitor the eligibility for the exemption available under the Staff Notice of each of the Exempted Vice-Presidents, and that of other employees of SR and its major subsidiaries whose title is vice-president and who may satisfy the criteria of "nominal vice-president" from time to time, by monitoring such persons' respective job functions and responsibilities and assessing the extent to which in the ordinary course they receive notice of material facts or material changes with respect to SR prior to such facts or changes being generally disclosed.

12. SR has filed with the Decision Makers in connection with the relief herein granted a copy of the Policy and a list of Exempted Vice-Presidents.

AND WHEREAS pursuant to the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

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;

THE DECISION of the Decision Makers pursuant to the Legislation is that the requirement contained in the Legislation to file insider reports shall not apply to the Exempted Vice-Presidents or any other employee of SR or its major subsidiaries who hereafter is given the title vice-president, provided that:

(a) each such person satisfies the definition of "nominal vice-president" contained in the Staff Notice;

(b) SR prepares and maintains a list of all individuals who propose to rely on the exemption granted herein, submits the list on an annual basis to the Board of Directors for approval and files the list with the Decision Makers;

(c) SR files with the Decision Makers a copy of its internal policies and procedures relating to monitoring and restricting the trading activities of its insiders and other person whose trading activities are restricted by SR; and

(d) the relief granted herein will cease to be effective on the date when National Instrument 55-101 is amended.

September 25, 2003.

"Jos_é Deslauriers"