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Headnote

Mutual Reliance Review System for Exemptive Relief Applications – previous MRRS decision relating to relief from continuous disclosure requirements varied to remove certain restrictions on issuing securities

Applicable British Columbia Provisions

Securities Act, R.S.B.C. 1996, c. 418, s.171

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

AND

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

AND

IN THE MATTER OF SMTC CORPORATION, SMTC MANUFACTURING CORPORATION OF CANADA AND SMTC NOVA SCOTIA COMPANY

VARIATION OF MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”) in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Prince Edward Island, Nova Scotia and Newfoundland and Labrador (the “Jurisdictions”) issued a decision (the “Original Decision”) on July 20, 2000 under the securities legislation of the Jurisdictions (the “Legislation”) exempting trades in certain securities by SMTC Corporation (“SMTC”), SMTC Manufacturing Corporation of Canada (“SMTC Canada”) and SMTC Nova Scotia Company (“SMTC Nova Scotia”) (collectively, the “Filer”) in connection with the concurrent initial public offering by SMTC Canada of its non-voting exchangeable shares (the “Exchangeable Shares”) and by SMTC of shares of its common stock, and exempting SMTC Canada from, among other things, the requirements contained in the Legislation to issue a press release and report material changes, to file with the Decision Makers and deliver to shareholders interim and audited annual financial statements, to prepare and send to shareholders proxies and information circulars, to file an information circular or make an annual filing with the Decision Makers in lieu of filing an information circular, to file annual information forms and to file and deliver to shareholders management’s discussion and analysis of the financial condition and results of operation of SMTC Canada (the “Continuous Disclosure Requirements”):

AND WHEREAS the Filer has applied to the Decision Makers for a decision under the Legislation varying the Original Decision;

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 that:

1. the Original Decision related to, among other things, an exemption from the Continuous Disclosure Requirements and included as a condition that SMTC Canada be restricted from issuing securities except in certain circumstances;

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2. the condition to the relief granted in the Original Decision did not allow the issuance of stock options or special warrants exercisable for or convertible into Exchangeable Shares;
3. the policy rationale underlying the Original Decision is equally applicable to issuances of stock options or special warrants exercisable for or convertible into Exchangeable Shares.
4. the Filer continues to comply with the Original Decision and is not in default of any requirements of the Legislation.

AND WHEREAS under 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 Makers with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that the Original Decision be varied by:

1. deleting the condition to the relief from the Continuous Disclosure Requirements at paragraph 4(h) in the Original Decision; and
2. inserting the following as paragraph 4(h) in the Original Decision:

4(h) SMTC Canada has not issued any securities, other than: (i) securities where, in connection with the issuance thereof, SMTC Canada has received relief from the Continuous Disclosure Requirements from the applicable Jurisdictions, (ii) Exchangeable Shares; (iii) stock options or special warrants exercisable for or convertible into Exchangeable Shares, and (iv) the shares of SMTC Canada held by SMTC Nova Scotia.

Dated on February 19, 2002

H. Lorne Morphy, Q.C.

Mary Theresa McLeod