

Corporate Code of Ethics and Conduct

1. General Policy

It is the policy of SMTC Corporation (“SMTC” or the “Company”) to conduct business in compliance with all applicable laws, rules and regulations. Further, it is our policy to conduct business with integrity. We make this commitment to our customers, to our shareholders, to our community, to those government agencies that regulate SMTC, and to ourselves.

Each SMTC employee, officer and director must work to comply with the policies set forth in this Code of Ethics and Conduct (the “Code”). All employees, officer and directors should review this Code or summary materials issued in conjunction with the Code, and make sure that these policies guide their actions. Because of the complex and changing nature of legal requirements, each member of SMTC must be constantly vigilant to ensure that their conduct complies with the Code. If any employee, officer or director becomes aware of an issue of legal compliance which is not adequately addressed in this Code, the Compliance Officer should be promptly notified. The text of SMTC’s Corporate Code of Ethics and Conduct can also be found at www.smtc.com.

SMTC takes compliance with laws, regulations, rules and the Code seriously. Any violation of such will result in disciplinary action. Such action may include an oral or written warning, disciplinary probation, suspension, reduction in salary, demotion, or dismissal from employment. These disciplinary actions also may apply to an employee’s supervisor who directs or approves the employee’s improper actions or is aware of those actions, but does not act appropriately to correct them or fails to exercise appropriate supervision. In addition to imposing its own discipline, SMTC may also bring violations of law or suspected violations of law to the attention of appropriate law enforcement personnel.

This Code includes statements of SMTC’s policy in a number of specific areas. We need your help to comply with these policies. To that end, and to ensure that SMTC’s compliance policies are consistently applied, we have established a legal and regulatory Compliance Program.

This Code generally highlights some of the more important legal principles with which employees, officers and directors are expected to be familiar. The fact that this Code does not specifically reference other applicable laws (some of which may be covered in other SMTC policies), does not diminish their importance or application.

2. Compliance with the Law

SMTC seeks to comply with all applicable government laws, rules and regulations. We need the cooperation of all employees, officers and directors to do so and to bring lapses or violations to light. While some regulatory schemes may not carry criminal penalties, they control the licenses and certifications that allow SMTC to conduct its business. SMTC’s continued ability to operate depends upon your help for compliance.

Employees, officers and directors should comply, both in letter and in spirit, with all applicable government laws, rules and regulations. Although not all employees, officers and directors are expected to know the details of all applicable governmental laws, rules and regulations, it is important to know enough to determine when to seek advice from appropriate personnel. Questions about compliance should be addressed to the Compliance Officer.

Some of the regulatory programs which employees may deal with in the course of their duties include, but

are not limited to, the following:

- Labor laws and collective bargaining agreements.
- Occupational Safety and Health regulation.
- Building, safety, food service and fire codes.
- Wage and Hour Laws.
- Export Control System. o Environmental Programs.

The Compliance Officer can provide employees with information on these rules, and can direct questions or concerns to the proper person.

3. Stocks

Because our stocks are publicly-traded securities, certain activities of SMTC are subject to certain provisions of the federal securities laws. These laws govern the dissemination or use of information about the affairs of SMTC or its subsidiaries or affiliates, and other information which might be of interest to persons considering the purchase or sale of the stocks. Violations of the federal securities laws could subject you and the Company to stiff criminal and civil penalties. Accordingly, SMTC does not sanction and will not tolerate any conduct that risks a violation of these laws.

a. Disclosure of Transactions in Company's Securities

The Securities and Exchange Commission ("SEC") requires continuing disclosure of transactions in the Company's publicly traded securities by the Company, its directors, officers, major shareholders and other affiliated persons. We are committed to complying with obligations related this disclosure.

4. Special Ethical Obligations For Employees With Financial Reporting Responsibilities

As a public company, we are also committed to carrying out all continuing disclosure obligations in a full, fair, accurate, timely and understandable manner. Depending on their position with SMTC, employees, officers or directors may be called upon to provide information to assure that the Company's public reports are complete, fair and understandable. SMTC expects all of its personnel to take this responsibility very seriously and to provide prompt and accurate answers to inquiries related to the Company's public disclosure requirements.

The Finance Department bears a special responsibility for promoting integrity throughout the organization, with responsibilities to shareholders both inside and outside of SMTC. The Chief Executive Officer and Finance Department personnel have a special role both to adhere to these principles themselves and also to ensure that a culture exists throughout SMTC as a whole that ensures the fair and timely reporting of SMTC's financial results and condition.

Because of this special role, the Chief Executive Officer and all members of SMTC's Finance Department are bound by the following Financial Officer Code of Ethics, and by accepting this Code of Conduct, each agrees that he or she will:

- Act with honesty and integrity, avoiding actual or apparent conflicts of interest in personal and professional relationships. o Provide information that is accurate, complete, objective, relevant,

timely and understandable to ensure full, fair, accurate, timely, and understandable disclosure in reports and documents that SMTC files with, or submits to, government agencies and in other public communications.

- Comply with rules and regulations of federal, state, provincial and local governments, and other appropriate private and public regulatory agencies.
- Act in good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts or allowing one's independent judgment to be subordinated.
- Respect the confidentiality of information acquired in the course of one's work except when authorized or otherwise legally obligated to disclose. Confidential information acquired in the course of one's work will not be used for personal advantage.
 - o Share knowledge and maintain skills important and relevant to shareholder's needs.
 - o Proactively promote and be an example of ethical behavior as a responsible partner among peers, in the work environment and the community.
- Achieve responsible use of and control over all assets and resources employed or entrusted.

Employees, officers and directors should promptly report to the Compliance Officer and/or the Chairman of the Audit Committee any conduct that the individual believes to be a violation of law or business ethics or of any provision of the Code, including any transaction or relationship that reasonably could be expected to give rise to such a conflict. Violations, including failures to report potential violations by others, will be viewed as a severe disciplinary matter that may result in personnel action, including termination of employment.

5. Continuing Disclosure Obligations and Accuracy of Business Records

In order to support all our disclosure obligations, we note that it is our policy to record and report our factual information honestly and accurately. Failure to do so is a grave offense and will subject an individual to severe discipline by the Company, as well as possible criminal and civil penalties.

Investors count on SMTC to provide accurate information about our businesses and to make responsible business decisions based on reliable records. Every individual involved in creating, transmitting or entering information into SMTC's financial and operational records is responsible for doing so fully, fairly, accurately, timely, in an understandable manner, and with appropriate supporting documentation. No employee, officer, director may make any entry that intentionally hides or disguises the true nature of any transaction. For example, no individual may understate or overstate known liabilities and assets, record false sales or record them early, defer or accelerate the proper period for recording items that should be expensed, falsify quality or safety results, or process and submit false or inaccurate invoices.

Compliance with established accounting procedures, SMTC's system of internal controls, and generally accepted accounting principles is necessary at all times. In order to achieve such compliance, the Company's records, books and documents must accurately reflect the transactions and provide a full account of SMTC's assets, liabilities, revenues and expenses. Knowingly entering inaccurate or fraudulent information into SMTC's accounting system is unacceptable and may be illegal. Any individual that has knowledge that an entry or process is false and material in nature are expected to consult the

Compliance Officer. In addition, it is the responsibility of each member of SMTC to give their cooperation to the Company's authorized internal and external auditors.

Each director, officer and employee who is involved in the Company's disclosure process must be familiar with and comply with the Company's disclosure controls and procedures and its internal control over

financial reporting, and take all necessary steps to ensure that all filings with the SEC and all other public communications about the financial and business condition of the Company provide full, fair, accurate, timely and understandable disclosure.

When billing others for the Company's goods or services, SMTC has an obligation to exercise diligence, care, and integrity. SMTC is committed to maintaining the accuracy of every invoice it processes and submits. Each employee who is involved in submitting charges, preparing claims, billing, and documenting services is expected to monitor compliance with applicable rules and maintain the highest standards of personal, professional, and institutional responsibility. By the same token, each employee who is involved with processing and documenting claims for payment made to SMTC by outside vendors or contractors is similarly expected to maintain the highest standards of professionalism and ethics. Any false, inaccurate, or questionable practices relating to billing others or to processing claims made by others for payment should be reported immediately to a supervisor or, if necessary, to the Controller or Compliance Officer.

Every individual should also be aware that almost all business records of the Company may become subject to public disclosure in the course of litigation or governmental investigation. Records are also often obtained by outside parties or the media. Employees should therefore attempt to be as clear, concise, truthful and accurate as possible when recording any information. They must refrain from making legal conclusions or commenting on legal positions taken by the Company or others. They must also avoid exaggeration, colorful language, and derogatory characterizations of people and their motives. SMTC will not tolerate any conduct that creates an inaccurate impression of SMTC's business operations.

6. Corporate Opportunities

Employees, officers and directors are prohibited from (a) taking for himself or herself personally opportunities that he or she discovers through the use of Company property, information or position, (b) using Company property, information or position for personal gain, and (c) competing with the Company. An employee, officer or director owes a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

7. Fair Dealing

Employees, officers and directors should endeavor to deal fairly with the Company's customers, suppliers, competitors and employees. You should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practices.

8. Market Competition

SMTC is committed to complying with all state and federal antitrust laws. The purpose of the antitrust laws is to preserve the competitive free enterprise system. The antitrust laws in the United States are founded on the belief that the public interest is best served by vigorous competition, free from collusive agreements among competitors on price or service terms. The antitrust laws help preserve the country's economic, political, and social institutions; SMTC is firmly committed to the philosophy underlying those laws.

While the antitrust laws clearly prohibit most agreements to fix prices, divide markets, and boycott -- which are addressed below -- they also proscribe conduct that is found to restrain competition unreasonably. This can include, depending on the facts and circumstances involved, certain attempts to tie or bundle services together, certain exclusionary activities, and certain agreements that have the effect of harming a competitor

or unlawfully raising prices. Any questions that arise in this area should be addressed to the Compliance Officer.

a. Trade Associations

SMTC is involved in a number of trade and professional associations. These organizations promote quality by allowing SMTC to learn new ideas, develop policies and, where appropriate, speak on public issues. It is not always appropriate, however, to share business information with trade associations and their members. Sharing information is appropriate if it is used to better inform consumers or to promote efficiency and competition. SMTC may participate in surveys of price, cost, and wage information if the survey is conducted by a third party and involves an appropriate number of comparably sized companies. Any price, cost, or wage information released by SMTC must be at least three months old. If an employee or officer is asked to provide a trade association with information about SMTC's charges, costs, salaries, or other business matters, he or she may not do so without first obtaining approval of the Chief Financial Officer and Compliance Officer. Joint purchasing through a trade association is probably acceptable, but any joint purchasing plan should be reviewed in advance by the Compliance Officer. If an employee or officer has any question or concern about an activity of a trade association, he or she may ask the Compliance Officer to seek guidance from counsel.

9. Exports and Imports

There are many U.S., Canadian, Mexican and Asian laws governing international trade and commerce which serve to limit the export of certain products to certain countries. SMTC is committed to complying with those laws. Under no circumstances will SMTC make sales contrary to these export laws. Because these regulations are complicated and change periodically, employees and agents seeking to make a sale to a customer in a foreign country must first confirm the legal trade status of that country. If an employee or agent is uncertain about whether a foreign sale complies with these export laws, he or she must contact the Compliance Officer for guidance. SMTC employees and agents should be aware that there are also many U.S., Canadian, Mexican and Asian laws that govern the import of items into these areas. Among other things, these laws control what can be imported, how the articles should be marked, and the amount of duty to be paid. SMTC complies with all relevant import laws. If an employee or agent is uncertain about whether a transaction involving the importation of items into the U.S., Canada, Mexico or Asia complies with these laws, he or she must contact the Compliance Officer for guidance.

Ethics or Employee Code of Conduct:

- It is recognized that operating to the highest ethical standards benefits all companies and society. We in the aerospace and defense industry fully acknowledge and support this principle.
- The Aerospace Industries Association of America (AIA) and Aerospace and Defense Industries Association of Europe (ASD) have jointly developed these Global Principles of Business Ethics for the Aerospace and Defense Industry. These Global Principles are based on best practices including the Common Industry Standards for European Aerospace and Defense and the Defense Industry Initiative on Ethics and Business Conduct in the US.
- The aerospace and defense industry's long term success depends on companies upholding integrity in bidding, negotiating and performing contracts. Companies shall behave ethically towards their customers, suppliers, competitors, employees, and other stakeholders.
- These Global Principles highlight key issues in the aerospace and defense industry that may impact on ethical business conduct. They are not an exclusive list of business ethics issues that a company may face and which companies themselves should give their staff guidance on. It is intended that

the Global Principles will continue to develop over time to reflect current best practices.

- **Zero Tolerance to Corruption**
 - No employee of SMTC or any Controlled Affiliate acting on the Company's behalf shall, in violation of any applicable law, offer or make directly or indirectly through any other person or firm any payment of anything of value (in the form of compensation, gift, contribution or otherwise).
 - No employee of SMTC shall engage in any activity that may diminish, or even appear to diminish, the objectivity of the decision-making process.
- **Use of Advisors**
 - Advisors include agents, consultants, or intermediaries engaged to assist in developing, expanding, or maintaining SMTC's business.
 - SMTC will make advisors aware of the integrity policies of the company which are consistent with these global principles.
- **Managing Conflicts of Interest**
 - SMTC shall follow all applicable laws, regulations and directives concerning the employment or engagement of public officials including those dealing with conflicts of interest. Where SMTC's policy and operating procedures may conflict with state law, the state law shall supersede company policy.
- **Respect for Proprietary Information**
 - SMTC shall keep proprietary information of third parties to which they have gained access in accordance with the terms of its disclosure and in strict compliance with all applicable laws and regulations.
 - SMTC will not solicit or accept a third party's proprietary information (whether provided by a customer or otherwise), such as bid and proposal information, or technical or price data, unless the owner of the data has agreed to its release.