



**SMTC
MANUFACTURING CORPORATION**

CORPORATE CODE OF ETHICS AND CONDUCT

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SMTC CORPORATION

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 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 company 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.

If a question arises as to whether any action complies with SMTC policies or applicable law, an employee, officer or director should present that question to that directly to the Company’s Compliance Officer, Betsy Smith. The Compliance Officer’s telephone number is 905-479-1810. The Compliance Officer may also be contacted at the following e-mail address: betsy.smith@smtc.com. Concerns about violations of any part of this Code made to the telephone number may be made anonymously. Any calls, detailed notes and/or emails will be dealt with confidentially. Simply ask your question or give any information you may have. In raising an issue, you may remain anonymous, although you are encouraged to identify yourself. Should you choose to identify

yourself, your identity will be kept confidential to the extent feasible or permissible under the law. All employees, officers and directors of SMTC have the commitment of SMTC and of the Audit Committee of SMTC's Board of Directors that they will be protected from retaliation. However, SMTC reserves the right to discipline anyone who knowingly makes a false accusation, provides false information to the company or has acted improperly. Failure to report known or suspected wrongdoing of which any member of SMTC has knowledge may, by itself, subject that person to disciplinary action.

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.

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.
- 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.

b. Insider Trading

It is illegal for any person, either personally or on behalf of others, (i) to buy or sell securities while in possession of material nonpublic information, or (ii) to communicate (to "tip") material nonpublic information to another person who trades in the securities on the basis of the information or who in turn passes the information on to someone who trades. All directors, officers, employees and temporary insiders, such as accountants and lawyers, must comply with these "insider trading" restrictions.

All information that an investor might consider important in deciding whether to buy, sell, or hold securities is considered "material." Information that is likely to or may affect the price of securities is almost always material. Examples of some types of material information are:

- financial and operating results for the month, quarter or year;
- financial forecasts, including proposed or approved budgets;
- possible mergers, acquisitions, joint ventures and other purchases and sales of products, businesses, companies and investments in companies;
- obtaining or losing important contracts;
- major personnel changes; and
- major litigation developments.

All information about SMTC or its business plans is potentially "insider" information until publicly disclosed or made available by SMTC. Thus, SMTC employees, officer or directors may not disclose it to others. This prohibition includes disclosure to relatives, friends, or business or social acquaintances. Information is considered to be nonpublic unless it has been effectively disclosed to the public (e.g., by a press release). Further, the information must not only be publicly disclosed, but there must also be adequate time for the market as a whole to digest the information.

When an employee, officer or director knows material nonpublic information about SMTC, he or she is prohibited from three activities:

- trading in the stocks for his or her own account or for the account of another (including any trust of which the employee, officer or director is a trustee, or any other entity that buys or sells securities, such as a mutual fund);
- having anyone else trade for the employee, officer or director; and
- disclosing the information to anyone else who then trades or in turn "tips" another person who trades.

Neither the employee nor anyone acting on the employee's behalf, nor anyone who learns the information from the employee, may trade for as long as the information continues to be material and nonpublic.

If an employee, officer or director is considering buying or selling the stocks and has a question as to whether the transaction might involve the improper use of material nonpublic information, that individual should obtain specific prior approval from the Chief Financial Officer (who in turn may ask advice from the Company's counsel). Consultation with the individual's own attorney is also strongly encouraged.

On a related point, you should remember that outsiders may be listening or watching and may be able to pick up information they should not have. No discussion of SMTC's material nonpublic information should take place in public areas -- such as corridors, elevators, and restaurants -- and care should be taken in the handling and disposal of papers containing material nonpublic information. Any questions or concerns about disclosure of nonpublic information should be brought to the Chief Financial Officer.

4. Confidential Information

You may be entrusted with SMTC's confidential business information. You are required to safeguard and use such information only for SMTC purposes. Confidential information includes all non-public information that might be of use to competitors, or harmful to the SMTC or its customers, if disclosed. You are expected to maintain the confidentiality of any and all such information entrusted to you by SMTC or our customers. Examples of confidential business information include, but are not limited to: the Company's trade secrets, business trends, detailed sales, cost, and profit figures, new product or marketing plans, research and development ideas or information, manufacturing processes, and information about potential acquisitions, divestitures and investments. Failure to observe this duty of confidentiality may compromise our competitive advantage over competitors and may additionally result in a violation of securities, antitrust or employment laws. It may also violate agreements providing for the protection of such confidential information. You should not discuss confidential Company information outside the Company, even with your own family.

You may also possess sensitive, privileged information about our customers. These customers properly expect that this information will be kept confidential. SMTC takes very seriously any violation of a customer's confidentiality and will not tolerate such conduct. Discussing a customer, or providing any information about customers to anyone other than SMTC authorized personnel or SMTC employees who need the information will have serious consequences. As with all confidential information, employees should not discuss customer information outside the Company, even with their family.

5. 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 the company 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.
- 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.
- Share knowledge and maintain skills important and relevant to shareholder's needs.
- 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.

6. 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 and timely, 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 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.

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.

7. Protection and Proper Use of Company Assets

Employees, officers and directors should protect the Company's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Company's profitability. All Company assets should be used for legitimate business purposes.

a. Computers, the Internet and Email

Everyone who works with the company's computer-based resources is responsible for their appropriate use and protection from theft, damage or loss. Employees should take care to understand the risks and protect and ensure that the security features of the computer-based resources are not compromised. Information created, transmitted or accessed on company networks is company property and SMTC reserves the right to monitor or restrict access to it. Individual supervisors are responsible for ensuring company resources are used productively or to enhance employees' skills and job performance.

Computer software used in connection with SMTC's business must be properly licensed and used only in accordance with that license. Using unlicensed software could constitute copyright infringement. If an employee has any questions as to whether his or her use of computer software is licensed, he or she should consult with the Company's Management Information Services Group and with his or her Compliance Coordinator or Compliance Officer.

The same level of care should be taken when using SMTC's e-mail, internet and voice mail systems as is used in written documents. For example, confidential information about SMTC should not be disclosed on electronic bulletin boards, in chat rooms or posted on an internet website.

8. Corporate Opportunities

Employees, officers and directors are prohibited from (a) taking for yourself personally opportunities that you discover 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.

9. 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.

10. Conflicts of Interest

SMTC employees, officers and directors should avoid all potential conflicts of interest or situations that give the appearance of such conflict of interest. A conflict of interest occurs when the private interest of a SMTC employee (or an immediate family or household member or someone with whom you have an intimate relationship) interferes, in any way -- or even appears to interfere -- with the duties performed by the SMTC employee or with the interests of the Company as a whole. A conflict situation can arise when an employee, officer or director takes actions or has interests that may make it difficult to perform his or her work objectively and effectively. Conflicts of interest also arise when an employee, officer or director, or a member of his or her family, receives improper personal benefits as a result of his or her position in the Company. Loans to, or guarantees of obligations of, such persons are of special concern.

To this end, SMTC employees, officers or directors may not be employed by, act as a consultant to, or have an independent business relationship with any of SMTC's customers, competitors or suppliers. Nor may employees, officers or directors invest in any customer, supplier, or competitor (other than through mutual funds or through holdings of less than 1.0 percent of the outstanding shares of publicly traded securities) unless they first obtain written permission from the Chief Executive Officer. Employees, officers or directors should not have other outside employment or business interests that place them in the position of (i) appearing to represent SMTC, (ii) providing goods or services substantially similar to those SMTC provides or is considering making available, or (iii) lessening their efficiency, productivity, or dedication to SMTC in performing their everyday duties. Employees, officers and directors may not have an interest in or speculate in anything of value which may be affected by SMTC's business. Employees, officers or directors may not divulge or use SMTC's confidential information -- such as financial data, customer information, and computer programs -- for their own personal or business purposes.

Any personal or business activities by an employee, officer or director that may raise concerns along these lines must be disclosed to and approved in advance by the Compliance Officer. You should also obtain the approval of a supervising officer when accepting a board position with a not-for-profit entity, when there may be a SMTC business relationship with the entity or an expectation of financial or other support from SMTC.

11. Gifts, Meals and Entertainment

a. Entertainment and Gifts

SMTC recognizes that in some instances, gifts and entertainment can provide an entirely appropriate means of furthering a business relationship. However, no employee, officer or director should accept or provide gifts of more than \$100.00 in connection with their business dealings. The offer or receipt of any such gift over \$100.00 should be reported immediately to the Compliance Officer. Normal business courtesies involving no more than ordinary amenities (such as lunch, dinner, a spectator event, or a golf game) are permitted, as are token non-cash gifts of nominal value. The guiding principle is that no gift, favor or entertainment should be accepted or provided if it will obligate, or appear to obligate, the recipient. If you are uncertain about the propriety of a gift, you should contact the Compliance Officer for guidance.

b. Relationships with Government Personnel

Separate and more stringent gift, meals, and entertainment rules apply to dealings with government officials. United States federal and state and Canadian and provincial anti-kickback laws prohibit SMTC and its representatives from knowingly and willfully offering, paying, requesting, or receiving any money or other benefit, directly or indirectly, in return for obtaining or rewarding favorable treatment in connection with the award of a government contract. Any employee who becomes aware of any such conduct should immediately report it to the Compliance Officer.

The anti-kickback laws must be considered whenever something of value is given or received by SMTC or its representatives or affiliates that is in any way connected to work performed for the government. There are many transactions that may violate the anti-kickback rules. As a result, no one acting on behalf of SMTC may offer or accept gifts, loans, rebates, services, or payment of any kind to or from government suppliers and vendors without first consulting the Compliance Officer.

c. Business Dealings in Foreign Countries

Federal law prohibits U.S. companies, and those acting on their behalf, from bribing foreign officials to obtain or retain business and Canadian law prohibits Canadian companies, and those acting on their behalf, from bribing foreign officials to obtain or retain business. Foreign officials include officers and employees of a foreign government or of a foreign governmental department or agency. Indirect payments including those to agents or third parties with the knowledge that at least a portion of the payment will be given to a foreign official for an illegal purpose are prohibited. SMTC will not tolerate any conduct that violates this law.

12. Interacting with the Government

a. Relations with Government

SMTC values its good relations with local, state, federal and foreign governments. We are committed to being a “good corporate citizen” and are proud of the contributions we have made to help the communities where we do business.

The Company’s policy is to deal honestly and fairly with government representatives and agents and to comply with valid and reasonable governmental requests and processes. Be truthful and straightforward in your dealings with governmental representatives and do not direct or encourage another SMTC employee (or someone else) to provide false or misleading information to any government agent or representative. Do not direct or encourage anyone to destroy records relevant to a fact-finding process.

13. Employee Relations

a. Valuing Our Diversity

We benefit from having a diverse workforce that recognizes its differences as well as its similarities. This adds to the SMTC’s culture of openness, teamwork and mutual respect. Diversity means that each employee brings to the SMTC a unique set of abilities and perspectives that reflects his/her own life experiences. SMTC is committed to an environment where all employees can contribute and have an opportunity to excel.

b. Discrimination

SMTC is committed to maintaining a work environment that is free from discrimination, where every employee is treated with dignity and respect and differences are acknowledged and individuals are valued. Every employee has the right to equal treatment in employment.

Discrimination is defined as making an adverse employment decision based on factors including, but not limited to, race, color, religion, gender, age, national origin, ancestry, sexual orientation, marital status, disability, military service or status or political beliefs. The Company makes reasonable accommodations for individuals with disabilities in accordance with the law. It is the responsibility of each of us to maintain an environment free from discrimination.

c. Workplace Harassment

Workplace harassment is conduct, whether intentional or unintentional, that is unwelcome, insulting or otherwise offensive. Workplace harassment is not necessarily sexual in nature. Some examples are:

- Any form of unsolicited, unwarranted and/or unwelcome verbal or physical abuse of another person

- Explicitly derogatory statements or materials
- Use of profanity
- Verbal or physical behavior that creates a hostile environment
- Discriminatory remarks made by someone in the workplace which
 - are offensive to the recipient,
 - cause the recipient discomfort or humiliation, or
 - interfere with the recipient's job performance.

Those who violate this policy are subject to disciplinary action up to, and including, termination of employment. If an employee believes that he or she or a fellow employee has been harassed or treated unfairly, he or she should immediately notify a supervisor or the Compliance Officer.

d. Workplace Violence

SMTC does not tolerate violent behavior or threats of violence. Prohibited behavior includes, but is not limited to:

- Unsafe, intimidating or aggressive behavior
- Verbal threats
- Physical violence
- Harassment
- Stalking

If an employee feels that threatened and/or his or her personal safety – or the safety of any other employee, vendor, visitor or customer – is in jeopardy, immediately notify a supervisor or the Compliance Officer. The Company will address and investigate all reported incidents of threats of violence or acts of violence against another employee, vendor, visitor or customer. Any employee who exhibits violent behavior or behavior that can be construed as violent will be met with immediate and appropriate punishment up to, and including, termination of employment and criminal prosecution.

No employee will be subjected to retaliation, intimidation or discipline as a result of reporting a threat.

e. Privacy

Treating each other with dignity and respect includes respecting each other's privacy. The Company recognizes and understands the importance of balancing work and family life. Even though an employee's non-work-related activities outside of the Company are considered personal business, employees should always remember that they are a representative of the Company.

f. Health and Safety

The safety of employees is a top priority, and the Company is committed to providing and maintaining a clean, safe work environment. Whether an employee works

in a manufacturing floor, design center, distribution center or office, he or she can help keep the workplace safe by:

- Immediately reporting any workplace accident and/or any injury, no matter how minor
- Not attempting to move an injured person (get medical attention)
- Immediately reporting any potential hazards (that you cannot correct yourself), no matter how minor, to your supervisor.

Being prepared to deal with a safety issue is very important. Employee should take the time to learn the safety guidelines and procedures specific to his or her location.

g. Substance Abuse and Weapons

While on SMTC property, employees are not permitted to use, possess or be under the influence of alcoholic beverages. Employees may not use, possess or be under the influence of illegal drugs or illegally-obtained controlled substances while on SMTC property or while engaged in any job-related activity.

Unless specifically authorized by the Compliance Officer, an employee may not have or possess any weapon while in a SMTC manufacturing facility, design center, distribution center, office or other SMTC property or while engaged in any job related activity.

h. Family and Personal Relationships

Sometimes the personal and business lives of employees overlap and an employee is in the position of considering a business relationship with a relative, spouse or close friend. If an issue compromises, or creates the appearance or perception of compromising, our ability to act in the Company's best interests, the matter must be brought to the attention of the Compliance Officer for review and discussion. Issues that merit discussion include:

- Hiring of a relative or close personal friend
- A family member is employed by a competitor at a senior level
- A person with whom we have a close personal relationship is a major shareholder or executive of a competitor
- Purchasing goods or services for Company use from a family member or close friend.

14. Sexual Harassment

It is the policy of the Company to provide and maintain a workplace that is free of sexual harassment. Sexual harassment in the workplace is a violation of Company policy and it is unlawful. This policy applies to all employees of the Company, regardless of their position.

Prohibited sexual harassment includes sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature that has the purpose or effect of unreasonably interfering with an employee's work performance by creating an intimidating, hostile, humiliating or sexually offensive working environment. In addition, no manager or supervisor, male or female, may sexually harass any employee by making submission to or rejection of sexual advances, requests for sexual favors or other verbal or physical conduct of a sexual nature either explicitly or implicitly a term or condition of employment or a basis for employment decisions.

An employee who engages in sexual harassment is subject to disciplinary action, up to and including termination of employment.

It is also a violation of Company policy and it is unlawful to retaliate against an employee for making or filing a complaint of sexual harassment either internally or with a government agency, for opposing sexual harassment, for cooperating in an internal or governmental investigation of a complaint of sexual harassment, or participating in a hearing or other proceeding related to a claim of sexual harassment. Any such retaliation will also result in disciplinary action, up to and including termination of employment.

The following are examples of sexual harassment:

- An employee engages in a pattern of unwelcome sexual language and conduct that is sufficiently severe and pervasive that it interferes with the job performance of co-workers.
- An employee refuses her supervisor's sexual advances and, in retaliation, the supervisor terminates the woman's employment.

Determinations of whether particular language or conduct is subject to disciplinary action under this policy are made on an individual basis, in light of all of the

circumstances. The following, however, is a non-exhaustive list of examples of conduct that all employees of the Company are cautioned to avoid. Such conduct may violate Company policy against sexual harassment, whether or not it constitutes sexual harassment under the law. This is not an exhaustive list.

- Comments to, or about, any employee or his/her appearance that are sexually graphic or would otherwise tend to be degrading.
- Sexual advances or propositions.
- Any physical contact of a sexual nature.
- Jokes or other remarks with sexual content that is graphic or may otherwise be offensive to others.
- Display of objects, posters, pictures or cartoons of a sexual nature.
- Greeting cards or gifts with sexual content.
- A repetition of any words or conduct of a sexual nature after the person addressed has indicated that such words or conduct is unwelcome.

a. Complaint Procedure

If an employee believes that she/he has been subjected to sexual harassment, whether by a supervisor, a co-worker or any other person with whom the employee comes in contact in connection with his/her work for the Company, the employee must report the incident immediately to his/her supervisor or to the Vice President, Human Resources. If an employee is not comfortable reporting the incident to his or her supervisor or the Vice President, Human Resources, he or she may bring the complaint to any other member of management.

The following is an outline of the procedure that is pursued once a complaint has been brought to the attention of the Company:

- A prompt and impartial investigation of the complaint is conducted by the Vice President, Human Resources or his or her designee. That investigation may include (but will not necessarily be limited to) interviews with the employee who made the complaint, with the person or persons against whom the complaint was made and with other employees who may have witnessed the reported incident or incidents.
- Upon completion of the investigation, the manager who conducted that investigation will meet individually with the employee who made the complaint and the employee or employees against whom the complaint was made. To the extent appropriate, the manager will report the results of the investigation and, where an action is determined to be appropriate, inform the parties of the steps that will be taken to correct the situation. Corrective measures will be designed to put an immediate stop to the harassment, as well as prevent its recurrence.

The Company strives to release information arising out of a complaint or investigation of sexual harassment only on a need-to-know basis. Employees should be

aware, however, that information must be shared in order for an effective investigation to be conducted and, also, that any manager or supervisor who receives a complaint of sexual harassment from an employee or who otherwise knows or has reason to believe that an employee is or has been subjected to sexual harassment is expected to report the incident promptly to the Vice President of Human Resources for investigation.

An employee in Massachusetts who believes that he or she has been subjected to sexual harassment may also contact the United States Equal Employment Opportunity Commission at the John F. Kennedy Federal Building, Government Center, 4th Floor, Room 475, Boston, MA 02203, (617) 565-3200, or the Massachusetts Commission Against Discrimination at One Ashburton Place, Boston, MA 02108, (617) 727-3990.

An employee in California who believes that he or she has been subjected to sexual harassment may also file a complaint with these government agencies:

California Department of Fair
Employment and Housing (“DFEH”)

United States Equal Employment
Opportunity Commission (“EEOC”)

A complaint must be filed with the DFEH within one year from the last act of discrimination. The law provides for administrative fine and for remedies for individuals which may include rehiring, back pay, promotion, reinstatement, a cease and desist order, punitive damages, and damages for emotional distress.

15. 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. Discussions with Competitors

SMTC policy requires that the rates it charges for goods and services must be determined solely by SMTC. In independently determining prices and terms, SMTC may take into account all relevant factors, including costs, market conditions, widely used reimbursement schedules, and prevailing competitive prices, to the extent these can be determined in the marketplace. There can be no oral or written understanding with any competitor concerning prices, pricing policies, pricing formulas, bids, or bid formulas, or concerning discounts, credit arrangements, or related terms of sale or service. To avoid the possibility of misunderstanding or misinterpretation, SMTC policy prohibits any consultation or discussion with competitors relating to prices or terms which SMTC or any competitor charges or intends to charge. Joint ventures and affiliations that may require pricing discussions must be individually reviewed for antitrust compliance. Discussions with competitors concerning rationalization of markets, downsizing, or elimination of duplication ordinarily implicate market division and must be avoided.

SMTC may participate in and receive the results of general surveys, but these must conform to the guidelines for participation in surveys provided under Trade Associations below. Similarly, SMTC policy prohibits consultation or discussion with competitors with respect to its services, selection of markets, territories, bids, or customers. Any agreement or understanding with a competitor to divide markets is prohibited. This includes an agreement allocating shares of a market among competitors, dividing territories, or dividing product lines or customers.

b. 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 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 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.

c. Boycotts

SMTC policy prohibits any agreement with competitors to boycott or refuse to deal with a particular person or persons, such as a vendor, customer, or other company.

These agreements need not be written to be illegal; any understanding reached with a competitor (directly or indirectly) on such matters is prohibited. Exclusive arrangements with vendors, customers, and other companies must be approved by an officer of the Company or by the Compliance Officer based on an analysis of the relevant market.

16. Purchasing

Purchasing decisions must be made in accordance with applicable SMTC policy. In addition, the prohibitions discussed in Section 11 of this Code, entitled “Gifts, Meals and Entertainment” apply to purchasing decisions made on behalf of SMTC. Purchasing decisions must in all instances be made free from any conflicts of interest that could affect the outcome. SMTC is committed to a fair and objective procurement system which results in the acquisition of quality goods and services for SMTC at a fair price.

17. Political Contributions

SMTC believes that our democratic form of government benefits from citizens who are politically active. For this reason, SMTC encourages each of its employees to participate in civic and political activities in his or her own way.

SMTC’s direct political activities are, however, limited by law. Corporations may not make any contributions -- whether direct or indirect -- to candidates for federal office. Thus, SMTC may not contribute any money or products, or lend the use of vehicles, equipment, or facilities, to candidates for federal office. Nor may SMTC make contributions to political action committees that make contributions to candidates for federal office. Neither SMTC, nor supervisory personnel within SMTC, may require any employees to make any such contribution. Finally, SMTC cannot reimburse its employees for any money they contribute to political candidates or campaigns.

Many state laws also limit the extent to which corporations and individuals may contribute to political candidates. Any question about the propriety of political activity or contribution should be directed to the Compliance Officer.

18. Exports and Imports

There are many U.S. and Canadian 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 U.S. or Canadian 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 U.S. or Canadian 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. laws that govern the import of items into the United States and Canadian laws that govern the import of items into Canada. Among other things, these laws control what can be imported into the United States and Canada, how the articles should be marked, and the amount of duty to be paid. SMTC complies with all U.S. and Canadian import laws. If

an employee or agent is uncertain about whether a transaction involving the importation of items into the United States or Canada complies with these laws, he or she must contact the Compliance Officer for guidance.

19. Advertising, Promotion and Product Safety

a. Advertising and Promotion

SMTC is committed to promoting its brands in ways consistent with its excellent reputation. Products will be truthfully and accurately represented. Advertising, packaging, point of purchase displays, or promotions must never misstate facts or be designed to create misleading impressions. Claims that favorably compare SMTC products with those of competitors shall be truthful.

SMTC will respect copyright and individual consent rights before use in advertising or promotional materials.

b. Product Safety

Given SMTC's reputation for quality products, the Company has a major responsibility to ensure that consumers can trust the quality and safety of these products. All items purchased from SMTC must conform to government safety standards wherever they are sold. If an employee becomes aware of a possible threat to product safety, he or she must immediately report it to his or her supervisor, and if appropriate, to the Compliance Officer.

c. Unfair or Deceptive Practices

In addition to the antitrust laws, SMTC is committed to complying with other federal and state and provincial laws governing market competition. U.S. Federal law, particularly the Federal Trade Commission Act, and the laws of most states prohibit the use of "unfair or deceptive acts and practices," including the distribution of labeling, advertising, and marketing materials that are false or misleading. SMTC employees responsible for preparing and distributing such materials must be familiar with these laws. Concerns that specific materials may not be in compliance with applicable law should be directed to the Compliance Officer before distribution.

20. Media/Public Relations and Governmental Inquiries

When SMTC provides information to the news media, securities analysts and stockholders, it has an obligation to do so accurately and completely. In order to ensure that SMTC complies with its obligations, employees receiving inquiries regarding SMTC's activities, results, plans or position on public issues should refer the request to the Company's Chief Executive Officer, Chief Financial Officer, or the designated corporate spokesperson. SMTC employees may not speak publicly for the company unless specifically authorized by senior management.

Although unlikely, a government representative may seek to interview an employee regarding SMTC's business activities or an employee's work at the Company. If an employee is contacted by a government agent or representative and asked to provide information, contact the Chief Financial Officer.

Occasionally, someone will arrive unexpectedly or a government representative may seek to inspect a Company facility. If this happens, an employee should immediately notify the Manager or Supervisor and contact the Compliance Officer.

21. Environmental Compliance

In conducting its business, SMTC is committed to compliance with all applicable laws and regulations relating to the protection of the environment, and in particular those governing the incineration, treatment, storage, disposal, and discharge of waste. Failure to comply, even if unintentional, could result in significant penalties for SMTC. Accordingly, if an employee suspects noncompliance or violation of these laws and regulations, the circumstances should be reported immediately to his or her supervisor or to the Compliance Officer.

22. Response to Investigations or Government Inquiries

Numerous state, provincial and federal agencies have broad legal authority to investigate SMTC and review its records. SMTC will comply with subpoenas and respond to governmental investigations as required by law. The Compliance Officer is responsible for coordinating SMTC's response to investigations and the release of any information.

If an employee or officer receives an investigative demand, subpoena, or search warrant involving SMTC, it should be brought immediately to the Compliance Officer. No documents should be released or copied without authorization from the Compliance Officer or SMTC's legal counsel. If an investigator, agent, or government auditor comes to one of SMTC's manufacturing facilities, contact the Chief Operating Officer or his designee immediately; if an investigator, agent or government auditor comes to SMTC's corporate headquarters, the Chief Executive Officer should be contacted immediately. In the absence of the Chief Operating Officer or Chief Executive Officer, contact SMTC's Compliance Officer. Ask the investigator to wait until the contacted individual arrives before reviewing any documents or conducting any interviews. The Compliance Officer, his designee, or Company's legal counsel is responsible for assisting with any interviews. If SMTC's employees are approached by government investigators and agents while they are away from SMTC's premises and asked to discuss Company affairs, the employee has the right to insist on being interviewed during business hours with a supervisor or counsel present. Alternatively, any employee may choose to be interviewed or not to be interviewed at all. The Company recognizes the choice of how to proceed in these circumstances is left entirely to the employees. If an employee chooses to speak with government personnel, it is essential that the employee be truthful. Questions may be directed to the Compliance Officer.

SMTC employees are not permitted to alter, remove, or destroy documents or records of SMTC except in accordance with regular document retention and destruction practices.

23. Amendments And Waivers

This Code applies to all SMTC employees, officers and directors. There shall be no substantive amendment or waiver of any part of the Code affecting the directors, senior financial officers, or executives officers, except by a vote of the Board of Directors or a designated committee, which will ascertain whether an amendment or waiver is appropriate and ensure that the amendment or waiver is accompanied by appropriate controls designed to protect SMTC.

In the event that any substantive amendment is made or any waiver is granted, the waiver will be posted on the SMTC's website, thereby allowing the SMTC shareholders to evaluate the merits of the particular waiver.

24. Information Systems Policy

a. Login Account.

It is the responsibility of each employee that has been provided with a network login account to maintain the security of that account and to ensure that the account has a password and said password is rotated on a regular basis. This policy also covers any specialized software. If the employee requires assistance in changing their password, please ask for the Network System Coordinator's assistance in this matter. SMTC attempts to keep password-protected computer 'user accounts' of its employees completely private, but cannot and does not guarantee this result. Protection of a password from the detection of other employees is the responsibility of the computer users, and is not under the control of the Company.

b. Storage Devices.

All data information stored on the hard drive of a workstation by an employee is the sole property of SMTC and each employee is responsible for maintaining appropriate Backups. Hard drives or any other storage devices may not be deleted or copied upon termination of employment with SMTC. It is also an offence to store non-work related materials on either a local hard drive and or on the network. This includes such things as; resumes, home projects or sexual explicit materials.

c. Software Policy.

The standard software for all spreadsheet and word processing applications is Microsoft Office. All data information developed for SMTC shall be produced using the standard software package that each person is provided with and not dedicated based upon personal likes and dislike. Installation of software brought in from outside the company must be removed from all terminals. This policy includes all software packages.

Any exception to this policy will be reviewed on an individual basis and will be related to the individuals job function.

d. Accessing Information:

Modems and/or access to the Notes Web browser have been provided to assist in employee's job performance and are not a tool for viewing non-work related materials.

e. Email:

Electronic mail is an SMTC resource and is provided as a working tool for its employees with user accounts. It is not intended for personal mail, and there is no guarantee of privacy that comes with its use. These records are routinely backed up; therefore, it cannot be assumed that a message is completely erased after it has been deleted. Thus, it is important good judgment is exercised in using this tool. The sending of rude, obscene or harassing material via any electronic facility provided by SMTC could be considered grounds for Disciplinary Action or Dismissal.

f. Internet Use.

Any employees seeking access to the internet through the Notes Web browser must first seek approval through the I/S Manager. It will then be the responsibility of the Notes System Coordinator to change the access level.

g. Removal.

Employees may not remove hardware, software, manuals, supplies etc., other than company issued notebooks, from a facility or relocate hardware within the facility without the pre-authorization from the Director of Information Systems or his/her representative.

h. Privacy.

The viewing or use of another employee's computer files, programs or data without authorized permission is unethical and an invasion of that person's privacy.

i. Enforcement

It will be the responsibility of the Network System Coordinator at each location to enforce the Company Information System Policy.

j. Disk Use.

Any disks received or brought in from outside the building must be scanned for any possible viruses. If the user is unsure of how to or uncertain as to the safety of the disk, please contact the Network System Coordinator for their assistance.

25. SMTC Premises

a. Premises Access.

We permit access to our premises only to persons who have been issued a valid SMTC access identification badge. We require you to visibly display your badge at all times while on our premises, do not give your badge to other employees. Upon completion of your assignment, you must return your badge to us. We may, at any time, (i) deny or recall any badge and (ii) refuse entry or request that you leave our premises. If you have a lost badge please contact the site H.R. Dept. You must coordinate with us your access to our premises during non-regular working hours before 7:00 a.m. and after 5:30 p.m. Monday through Friday, weekends, and on our designated holidays. Access after hours, must be approved by the Site General Manager. If you are working after hours, you must have a SMTC escort and stay in your designated areas. Please note that the building is monitored with security cameras located throughout the building. Any and all information that you come in contact with in our building is private and confidential and must be treated as such.

b. General Business Activities.

You may not conduct any business activities that are not related to your company project. You are solely responsible for your actions and the actions of your guests while on SMTC premises. You are not permitted to walk around the site outside of your assigned work area without an escort.

c. Emergency Procedures.

You must comply with our policies regarding emergency planning and response.

EMPLOYEE CERTIFICATION AND AGREEMENT OF COMPLIANCE

I certify that I have read SMTC’s “Corporate Code of Ethics and Conduct” (the “Code”) and fully understand the obligations set forth in those documents.

The Code includes a statement of SMTC’s policies, which are designed to ensure that the Company and its employees conduct SMTC’s business in compliance with all federal, state and provincial laws governing its operations and the conduct is consistent with the highest standards of business and professional ethics.

I understand that the Code obligates all employees to carry out their duties for SMTC in accordance with these policies and with applicable laws. I further understand that any violation of these policies or applicable laws, or any deviation from appropriate ethical standards, will subject an employee to disciplinary action up to and including dismissal. Indeed, I understand that even a failure to report such a violation or deviation may, by itself, subject an employee to disciplinary action, up to and including, dismissal.

I am also aware that in the event that I have any question about whether an action complies with SMTC’s policies or applicable law, I should present that question to my supervisor, or, if appropriate, directly to the Company’s Compliance Officer.

With these understandings of my obligations, I agree to act in accordance with the SMTC policies set forth in the Code. Having read the Code, I am not currently aware of any matter that should be brought to the attention of Compliance personnel as a violation or suspected violation of this Code.

Signed: _____

Print Name: _____

Date: _____