



### **PUBLIC INTEREST DISCLOSURE OF INFORMATION**

*Persons within SMTC Corporation (“SMTC”) or its current or future subsidiaries or affiliates (collectively the “Organization”) are assured of their right to disclose information that is in the public interest, either directly or indirectly to an Independent, Non Executive Director on the SMTC Board, concerning alleged malpractice or criminal offences, with the right not to suffer detriment.*

#### **1. PRINCIPLE**

Where an individual discovers business information, which he or she believes to show malpractice/wrongdoing within the Organization, then this information should be disclosed in the public interest without fear of reprisal. This principle is supported by a procedure in order that the person making the qualifying disclosure is afforded the proper protection and that the information shall be acted upon quickly and matters resolved internally. This procedure is not intended to cover complaints for which there are existing internal procedures.

#### **2. PROTECTED DISCLOSURE**

2.1 A “protected disclosure” means the disclosure of business information that is made in the public interest and in good faith, which, in the reasonable belief of the person making the disclosure, tends to show one or more of the following failings:

- Financial malpractice, impropriety, or fraud has occurred, is occurring or is likely to occur.
- A criminal offence or activity has been committed, is being committed or is likely to be committed.
- A person has failed, is failing or is likely to fail to comply with any legal obligation to which he or she is subject.
- An act of corruption, bribery or blackmail has been committed, is being committed or is likely to be committed.
- There has occurred, is occurring or is likely to occur an abuse of authority for illegal or unethical purposes.
- Professional malpractice has occurred, is occurring or is likely to occur.
- That a miscarriage of justice has occurred, is occurring or is likely to occur.
- Damage to the environment has occurred, is occurring or is likely to occur.
- The health and safety of any individual or group has been, is being or is likely to be endangered.

Information tending to show any matter falling within any of the preceding failings has been, is being or is likely to be deliberately concealed.



2.2 The importance and protection of making disclosure in the public interest, is irrespective if the relevant failure occurred, is occurring or is likely to occur in the Canada, United States, Mexico or elsewhere, and whether the law applying to it is that of the Canada, United States, Mexico or of any other country.

### **3. DISCLOSERS**

3.1 This procedure is open to all members of the Organization and others as defined below:

- Members of the SMTC Board of Directors.
- Directors of subsidiary companies.
- Current and future members of staff (i.e. those that have received job offers) at each of the Organization's locations, whether employed in the Canada, United States, Mexico or any other country.
- Contract, agency or casual workers, including those who may not be formally or directly employed by the Organization whether in the Canada, United States, Mexico or any other country.

3.2 It is not a requirement for this policy to apply for the person making a disclosure to be personally or professionally affected by the malpractice that is to be disclosed.

### **4. CONFIDENTIALITY AND PROTECTION**

4.1 Having complied with this procedure, a person making a disclosure in the public interest shall be afforded strict confidentiality, and will:

- Be protected as far as is possible from having their identity revealed, although there may be occasions when the type of information contained in a disclosure will be such that the identity of the Discloser can be inferred by others.
- Be protected from reprisal or unfair treatment attributable to the making of the disclosure.
- Be kept informed at all stages of the proceedings.
- Have an Independent, Non Executive Director on the SMTC Board conduct an initial investigation upon the subject matter of the disclosure made. Fairness is ensured in that the Director designated for this procedure will not make the initial assessment if he is himself the subject of a disclosure or enquiry or is thought by the Discloser not to be impartial.
- Be assured that any malpractice will be thoroughly and quickly investigated.

The identity of a person who is alleged with malpractice within a public interest disclosure under this procedure will be protected as far as is possible. In any case, his or her right to respond to accusations and to be accompanied at any interview will be the same as under the rights given in the disciplinary procedure. If a person chooses to remain silent, the Organization reserves the right to investigate the disclosure by any means.

These protection rights apply even if it is concluded that there is no action arising from the disclosure.

Protection will not apply if a disclosure is made maliciously or for personal gain.

## 5. MAKING A DISCLOSURE

- 5.1 A public interest disclosure should be notified in the first instance and in writing to the Independent, Non Executive Director appointed by the Chairman of the SMTC Board as the Organization's "Disclosure Executive". See paragraph 6 for details.
- 5.2 The letter should be labelled with a legend such as: "To be opened by the addressee only".
- 5.3 If the Discloser should wish to discuss the matter with the Disclosure Executive, they should indicate this in their submission providing a contact telephone number at which he or she may be contacted.
- 5.4 If a meeting is conducted, the Disclosure Executive shall be obliged to take notes for the purpose of reporting. The Discloser may be accompanied at any meeting if he or she wishes by a work colleague of their choice. All meeting attendees will maintain strict confidentiality regarding the details of the disclosure, the identities of the Discloser and any person alleged with malpractice.
- 5.5 The Discloser will be required to provide the Disclosure Executive with relevant details to establish clearly the basis for conducting a preliminary investigation. The following points will be established:
- The nature of the disclosure.
  - That the disclosure is in the public interest.
  - If there is any supporting evidence.
  - If other internal procedures are more suitable to deal with the disclosure.
  - The names of those persons alleged to be involved in the malpractice.
  - That the Discloser understands these procedures for making a public interest disclosure.
- 5.6 Disclosers will be expected to put their name to any disclosure they make, on the understanding that great care will be taken to protect their identity as provided for in this procedure. A disclosure that is made anonymously will only be considered if the Disclosure Executive thinks it is warranted on the basis of:
- The gravity of the issues raised.
  - The amount of evidence provided.
  - The likelihood of confirming the allegation from alternative credible sources.

## 6. DISCLOSURE EXECUTIVE

- 6.1 For the purpose of this procedure Mr. Clarke Bailey is the Organization's Disclosure Executive. Mr. Bailey is Chairman of the Audit Committee. He is both an independent, non Executive member of the SMTC Board of Directors. The Chairman of the SMTC Board of Directors may from time to time designate a new or different Disclosure Executive(s) as he deems fit and appropriate.

Mr. Bailey's contact details are as follows:

Mr. Clarke Bailey  
E-mail: [clarke.bailey@edcih.com](mailto:clarke.bailey@edcih.com)

- 6.2 In the initial stage, the Disclosure Executive's role is not in any way adjudicative. He will quickly and thoroughly look into the allegations, try to establish the facts and decide on further action.
- 6.3 The Disclosure Executive will act as the point of contact for the Discloser throughout the procedure.
- 6.4 The Disclosure Executive will not discuss the details of the disclosure with any other person in the preliminary stage of the proceedings, other than those named in the disclosure if the circumstances are appropriate.
- 6.5 Where the Disclosure Executive has decided to report and recommend there is enough evidence to proceed, the report, if appropriate, shall be submitted to the Audit Committee.
- 6.6 The report submitted to, or prepared by, the Audit Committee may indicate the response of any persons named in the disclosure, if interviewed, but will not purposefully reveal the identity of the person making the disclosure, although there may be occasions when the type of information contained in a disclosure will be such that the identity of the Discloser can be inferred by others. The Disclosure Executive will inform the Discloser if the written report shall contain information that may reveal his or her identity. The report will include recommendations on the following matters:
  - Whether the disclosure is in the public interest.
  - Whether there appears to be a strong enough case, based on the information provided, to warrant a full investigation by any means.
  - Whether a panel should be convened under the authority of the Audit Committee to further investigate under this procedure.
  - How and in what order to proceed if the disclosure warrants investigation under this or other internal procedure.
  - If the disclosure is considered not to be of public interest, whether to refer the matter to some other internal procedure, such as grievance or discipline.
  - Whether to refer the matter to an external authority, such as the police in the case of a criminal offence. Depending on circumstances, this will not necessarily mean a cessation of internal procedures.
  - Whether to enlist the services of outside legal, accounting or other advisors, as appropriate, to assist in a detailed investigation.
  - Arrangements to be made for informing a person or persons that he or she has been named in a public interest disclosure, if not already done so, and the means for ensuring there is fair treatment with opportunity to respond before a full investigation is completed.
  - Whether the procedure should proceed at all, on the grounds that the Disclosure Executive deems that there is insufficient information, or that the case is insufficiently clear, or that there

are grounds for believing the disclosure is vexatious or malicious or for personal gain, or the Discloser does not have reasonable belief that malpractice within the meaning of this procedure has occurred, is occurring or likely to occur, or that the Discloser is not acting in good faith.

- 6.7 The Disclosure Executive will inform the Discloser of his recommendations. The Discloser, if dissatisfied, will be provided one occasion only in which to request the matter be considered by an alternative Independent, Non Executive Director of SMTC who sits on the Audit Committee. Contact details will be provided on request to the Disclosure Executive.

## 7. AUDIT COMMITTEE

- 7.1 The role of the Audit Committee will be to consider the initial findings of the Disclosure Executive, and if appropriate, arrange and oversee a detailed investigation of the disclosure conducted by other members of the Audit Committee, ensuring any subsequent actions arising are carried out quickly, thoroughly, and fairly in accordance with procedures. The Audit Committee currently consists of the Independent, Non Executive Directors given below:

Clarke Bailey, David Sandberg and Anton Simunovic

- 7.2 On receipt of the Disclosure Executive's report, the Audit Committee, subject to consultation with legal counsel, will decide on a course of action that may include one or more of the following:

- A decision that no further action shall be taken on the grounds that malpractice will not be proven, the Discloser has not acted in good faith or with reasonable belief, the disclosure is not in the public interest, or the matter is already the subject of other proceedings of which the Disclosure Executive and Discloser were not aware.
- Refer the matter to be dealt with under another more appropriate internal procedure.
- Decide to convene an independent panel consisting of two members of the Audit Committee to deal with the matter. The panel's decision about substance and any penalties, if any, will be subject to the appeal procedure set out at paragraph 8.
- On deciding to convene an independent panel, the Audit Committee will notify the Chairman of the SMTC Board that a disclosure has been made and what action is being taken. He will maintain strict confidentiality regarding the identities of the Discloser and any person alleged with malpractice.
- Refer the matter to an external authority, such as the Police in the case of criminal offence. Depending on circumstances, this will not necessarily mean a cessation of internal procedures.

- 7.3 The Audit Committee will inform the Disclosure Executive of what action has been decided, and the Disclosure Executive will in turn inform the Discloser.

- 7.4 The Audit Committee's obligations regarding confidentiality and protection are set out in paragraph 4.

- 7.5 Following a detailed investigation, the Audit Committee will submit a report to the Chairman of the SMTC Board summarising the investigation and providing recommendations for future action.

## **8. INTERNAL APPEAL AND SAFEGUARDS**

- 8.1 If dissatisfied with the decision, the Discloser may within three (3) working days submit an appeal in writing to the Audit Committee, giving reasons for the dissatisfaction and suggestions for an alternative course of action.
- 8.2 The Audit Committee will either decide the matter or convene a further panel of Independent, Non Executive Directors on the SMTC Board not previously involved in the matter to consider and advise the most appropriate way to proceed. Any decision's arising from appeal will be the final stage in the organization's handling of this procedure.
- 8.3 The Discloser will report to the Disclosure Executive any instances of unfair treatment, which he or she attributes to a public interest disclosure, or instances where there is reason to believe his or her identity has been revealed. The Disclosure Executive will inform the Audit Committee who may refer such a matter to be dealt with under the disciplinary procedures.
- 8.4 This procedure cannot be used by any person to reopen complaints or cases completed under this or any other procedures, unless new evidence has emerged to the satisfaction of the Disclosure Executive.

## **9. DISCIPLINARY OFFENCES**

- 9.1 Under this procedure it will be a disciplinary offence to:
- Make a disclosure found to be vexatious or malicious.
  - Obtain pecuniary benefit from a disclosure.
- 9.2 Person's found to disclose information for any of these reasons will be subject to internal disciplinary proceedings.

## **10. PENALTIES**

- 10.1 Penalties arising from a public interest disclosure that is dealt with internally will conform to those detailed in the disciplinary procedure. This directive does not assume penalties that might arise from any external authority.