

Introduction

Maintaining a high level of Professionalism and Ethical behavior is the responsibility of all representatives of Surface Mount Technology Corporation, SMT. General expectations for all employees, representatives, and sub-contractors include following the applicable laws and regulations of all states and countries in which SMT conducts business. Furthermore these individuals are expected to conduct themselves in a professional and ethical manner in all other business situations. The document is meant to outline these expectations as well as provide a reference point for an individual looking for ethical guidance.

It is unrealistic for this document to cover all questions or situations that may arise. Some common areas where ethical issues are prevalent are specifically outlined but the general thinking can be applied to any scenario. The key is to have an open and honest discussion about any situation that could be questionable. By reading this policy SMT employees acknowledge understanding and acceptance of the policy and its underlying intentions. Failure to take these guidelines into consideration much like any other policies set forth by SMT may result in disciplinary action up to and including termination.

Many of the items included in this policy are also contained in the Employee Handbook. Please use the Employee Handbook for additional information and clarification on these topics.

If you have any questions please speak directly with your supervisor or Human Resources representative.

Individual Ethics and Dealing with Conflicts of Interest

SMT's reputation is based on employees' actions both in the realms of the workday as well as outside activities. It is an expectation for all employees to act in a professional manner while representing SMT in the workplace as well as out in the community. Although not a requirement, it is also advisable for employees to keep these principles in mind in all aspects of their daily life. The items listed below are common courtesies and expected to be followed by each employee.

Employees should refrain from:

- Inciting conflict with or between co-workers, supervisors, visitors or others
- Using vulgar, abusive, or harassing language toward others
- Intentionally misleading individuals for any reason
- Participating in inappropriate behavior
- Use of intimidation or threats in communication others with

Honesty

SMT expect our employees to tell the truth. Employees should take care to not make any false or misleading statements to other SMT employees, customers, suppliers, or other members of SMT's business network.

Conflicts of Interest

One of the most important and critical areas that can test an individual's ethics are conflicts of interest. These conflicts can be defined in a number of ways but generally it is any situation that would make an individual perform their work functions without the best interest of SMT as their number one priority. Employees should take an effort to avoid these conflicts or any situations that should be construed as a conflict of interest. If a situation arises it is best to alert a supervisor of the situation and allow employees who would not be involved in the conflict handle the situation.

Without prior approval, employees may not:

- Engage in any activity, including outside employment, which places his or her interests, or the interest of other persons or groups, ahead of the best interests of SMT
- Hold a direct or indirect financial interest in any company or business which is a supplier, customer, or competitor of SMT
- Engage in other transactions with SMT for which they receive direct or indirect payment other than their employment compensation.

SMT Environment

Openness

SMT believes in the openness to share constructive comments. These comments, made without fear of retaliation, are essential in making SMT a better company as well as resolving any issues relating to ethics or other areas. This openness can be used to improve processes as well as avoid situations which may cast SMT in a negative light. Although SMT prefers communication with direct supervisors it may be that employees do not feel comfortable talking to that individual. In that or any scenario it is encouraged to speak with any management individual or Human Resources.

Staffing

SMT is an equal opportunity employer. SMT is focused on staffing the best individual for each position without regard for legally protected status. A focus is also placed on any reasonable accommodations that can be made for employees with disabilities.

Harassment and Discrimination

One of SMT's greatest assets is a diverse workforce. These individuals skill and ideas all come together to create an environment of learning and success. Harassment or discrimination of any kind is not permitted. This helps maintain a professional and fun work environment.

Employee Health and Safety

SMT strives to instill the principals of health and safety into the work environment as well as individuals lives. This commitment to safety and health can be seen in a secure and clean workplace. Many procedures are put in place to eliminate exposure to harmful items as well as prevent accidents which could hurt employees. SMT also tracks all injuries and takes preventative measures to make sure they do not re-occur. SMT is also committed to providing opportunities for employees to take care of their own health. Through multiple incentive

programs for weight and lifestyle management SMT is able to help employees have a healthy and safe lifestyle inside and outside of the work environment.

Company Property

During employment at SMT, individuals may be issued a variety of equipment to assist in their day to day work. This could include workstations, computer systems, phone systems and other similar items. The expectation is to treat this properly with care and respect.

Confidential Information

One very important area of employment at SMT is confidential information. As a contract manufacturer, SMT has access to key documentation regarding customer's proprietary information and products. In addition to this policy and the expected ethics of each employee SMT has non-disclosure agreements in place with customers and suppliers which legally protect each party and allow for legal ramifications should these issues be ignored. This confidentiality is a cornerstone of SMT and a value that is brought to the table. Employees should take great care to not intentionally or unintentionally use this information for personal gain, disclose this information to individuals outside of the company or internal individuals that have no need for the information, and make sure when dealing with this information all proper guidelines are followed. This is especially true for any folders that are ITAR controlled. For any questions on ITAR regulations please see SMT's ITAR Compliance Manager.

Gifts

Although gifts can be given to any individual at SMT which may affect their ability to do business in an unbiased manner this section is especially applicable to individuals in the purchasing area of SMT. Many people assume that purchasing people tend to readily avail themselves of opportunities for personal enrichment at the expense of employers and suppliers, purchasing professionals have had to subscribe to a more rigid standard of conduct than other business people. We are proud of the fair and ethical business relationship which exists between Surface Mount Technology and its suppliers. We are pleased that these relationships have fostered the excellent support that you have given us throughout the year.

To prevent problems from arising, foster proper conduct and discourage inappropriate behavior, our policy regarding gifts, luncheons and other entertainment is contained below:

- Employee should not expect or encourage the receipt of gifts or gratuities from any organization or individual who has or seeks to have a business relationship with the company.
- In keeping with the above, employees may not receive, directly or indirectly, from SMT suppliers or potential suppliers any commissions, fees, bonuses, compensation, loans or advances.
- Employees may not accept gifts or gratuities, including prizes given at outings and sporting events.
- Acceptance of gifts in the form of gift certificates, cash, or gifts immediately convertible to cash is absolutely forbidden.
- Employees may not accept unusual or extended hospitality in any form including entertainment at a resort or similar accommodation, or payment of personal business expenses.

- Certain business courtesies, such as payment for lunch in connection with a business meeting should not go beyond a moderate and reasonable scale and both parties must be present.
- Certain gifts such as food trays, promotional items such as cups and T shirts, should not be encouraged but are acceptable. They should be shared as is reasonable with other SMT employees.

Reporting an Issue

Raising a Concern

SMT is adamant that a concern should be raised anytime an employee suspects a violation of some sort or thinks that there may be a situation in the near future. As with almost any situation it is better to know as soon as possible. This will help the company deal with the issue or possibly avoid any sort of compromising scenario.

Consequences of Reporting

SMT will make every effort to efficiently and effectively investigate any complaint. Employees should assist by any means asked of them to assist with the investigation by providing factual details in complete entirety when asked. All employees are to be treated with respect and no employee will be harassed for raising a concern. Providing false information to an investigation or harassment against an employee for reporting a violation will result in disciplinary action.

Additional Notes

SMT retains the right to modify this document at any time. All discretion with respect to the interpretation and the enforcement of this ethics policy is the responsibility of SMT's Management.