

**CHARTER OF THE NOMINATING AND GOVERNANCE COMMITTEE OF
THE BOARD OF DIRECTORS OF SMTC CORPORATION**

1. Organization and Governance of the Nominating and Governance Committee. The Nominating and Governance Committee (the “Committee”) of the SMTC Corporation (the “Company”) shall consist of not less than three members of the Board of Directors (the “Board”) one of whom shall be the Chair of the Committee. The Committee and the Chair shall be appointed annually by the Board. The Committee shall be comprised of Directors such that the Committee complies with all independence requirements under applicable corporate and securities laws and all applicable stock exchange requirements. In order to fulfill its role, the Committee shall be organized and governed in the following manner:
 - a. Action may be taken by the Committee upon the affirmative vote of a majority of the members;
 - b. Any two members or the Chair of the Committee may call a meeting of the Committee upon due notice to each other member prior to the meeting;
 - c. Action may be taken by the Committee without a meeting if all of the members of the Committee indicate their approval in writing; and
 - d. No business may be transacted by the Committee at a meeting unless a quorum of the Committee is present. A minimum of fifty percent (50%) of the members of the Committee shall constitute a quorum;
 - e. The Committee may delegate its authority to a subcommittee.
2. Statement of Purpose. The purposes of the Committee are (i) to identify individuals qualified to become members of the Board, (ii) to select the Director nominees for election at the next annual meeting of shareholders, subject to approval by the Board, (iii) to develop and recommend to the Board a set of corporate governance principles applicable to the Company and (iv) to oversee the evaluation of the board and its dealings with management and appropriate committees of the board.
3. Goals and Responsibilities of the Committee. The responsibilities shall include the following:
 01. Corporate Governance – The Committee shall:
 - a. develop and recommend to the Board a set of governance guidelines applicable to SMTC (the “Governance Guidelines”);
 - b. from time to time, as it considers appropriate, review the Governance Guidelines as well as the Corporate Code of Ethics and Conduct (the “Code of Ethics”) and recommend to the Board any changes to the Governance Guidelines or Code of Ethics to which it considers appropriate; and
 - c. make recommendations to the Board regarding disclosure policies with respect to matters not covered by mandated financial disclosure.

02. Process for Nominating Directors – The Committee shall create a formal, rigorous and transparent procedure for the appointment of new directors to the Board and as part of that process shall:

- a. recommend to the Board for its approval the selection criteria to be used by the Committee in selecting candidates for nomination to the Board based on such considerations as the Committee may consider appropriate;
- b. maintain a matrix that shall be used for the purpose of making recommendations to the Board with respect to selection criteria for nominations to the Board that contains:
 - i. the backgrounds and skills the Board, as a whole, should possess; and
 - ii. the backgrounds and skills each existing Director possesses and which the Board as a whole actually possesses;
- c. identify Director candidates who:
 - i. have a high level of professional integrity and demonstrated business ability; and
 - ii. who otherwise meet the selection criteria approved by the Board from time to time as potential nominees for election or appointment to the Board;
- d. recommend to the Board the individuals to be nominated for:
 - i. election by shareholders, subject to approval by the Board; or
 - ii. appointment by the Board to fill any vacancy on the Board;having regard to the criteria and evaluation tools referred to in this charter, as well as to the personality and other qualities of each Director to the extent the Committee considers such qualities to be relevant to boardroom diversity; and
- e. from time to time, as the Committee considers appropriate, examine the size and composition of the Board; and, if it considers appropriate recommend to the Board a program to replace or add members to the Board.

03. Identifying and Recommending New Nominees – The Committee shall identify the individuals qualified to become new Directors, consistent with the selection criteria approved by the Board, and ensure appropriate candidates with needed talents can be identified to fill planned or unplanned vacancies. The Committee shall consider any director candidates recommended by the Company’s stockholders consistent with any criteria or procedures set forth in the Governance Guidelines.

04. Orientation – The Committee shall develop and recommend to the Board a comprehensive orientation program for new Directors, which shall include assisting new Directors to understand:
- a. the role of the Board and its committees;
 - b. the contribution individual Directors are expected to make; and
 - c. the nature and operation of the corporation’s business.
05. Succession Planning – The Committee shall develop and recommend to the Board for Approval a succession plan that includes, but is not limited to, the following:
- a) identifying key members of management in addition to the Chief Executive Officer;
 - b) understanding the competencies and capabilities for those key positions identified;
 - c) identifying succession planning strategies;
 - d) documenting and implementing succession plans, defining timelines and roles and responsibilities;
 - e) evaluating the effectiveness of the succession plans; and
 - f) assessing and recommending to the Board a successor to the Chief Executive Officer in the event of an emergency resulting in the vacancy of the position, unless the Board designates another committee for this purpose.
06. Continuing Education – The Committee shall develop and recommend to the Board a continuing education program for all Directors which shall, among other things:
- a. assist Directors to maintain or enhance their skills and abilities as directors; and
 - b. assist Directors in ensuring that their knowledge and understanding of the corporation’s business remains current.
07. Committees of the Board – The Committee shall from time to time, as it considers appropriate:
- a. review the composition of the Board’s standing committees and recommend to the Board any changes the Committee considers appropriate; and
 - b. review the charters of each of the Board’s standing committees and recommend to the Board any changes to those charters as the Committee considers appropriate.

08. Position Descriptions – The Committee shall, together with the Chief Executive Officer, develop and recommend to the Board a position description for the Chair of the Board and the Chief Executive Officer and shall review and approve.
09. Performance Evaluation – The Committee shall:
- a. develop and recommend to the Board, a process for annually assessing the performance of the Board as a whole, the committees of the Board, the contribution of the individual Directors (including the Chair of the Board) and the effectiveness of management; and
 - b. be responsible for overseeing the execution of the performance evaluation process approved by the Board.
10. Investor Feedback
- a. The Committee shall from time to time, as it considers appropriate, require management to provide a report on the nature of any significant or recurring comments, concerns and questions conveyed to members of the Company’s management by shareholders of the Company.
 - b. The Committee shall establish a method for security holders to contact the Chair directly and the Chair shall report to the Committee on any significant or recurring comments, concerns or questions conveyed to the Chair by shareholders of the Company.
11. Director Independence Review – The Committee shall annually review the relationship that each Director has with SMTC in order to satisfy itself that all applicable independence criteria have been met.
12. Code of Conduct Waivers – Either the Board or the Committee shall consider and, if it considers appropriate, approve the granting of waivers of the corporation’s business code of conduct and ethics for the benefit of the corporation’s Directors or executive officers.
4. Powers of the Committee on Directors and Corporate Governance. In order to fulfill this role, the Committee shall have the sole authority to retain and terminate a search firm to assist in the identification of director candidates, and have the authority to approve the search firm’s fees and other retention terms. The Committee shall also have the authority to retain legal, accounting or other experts that it determines to be necessary to carry out its duties and to determine compensation for such advisors.
5. Reporting to the Board – The Committee shall report to the Board on significant matters at the next scheduled meeting of the Board and, otherwise, shall report to the Board at such other times as the Chair may determine is appropriate.
6. Evaluation of the Committee Performance – The Committee shall follow the evaluation process approved by the Board for annually assessing the performance of the Committee.