

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K /A

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended January 3, 2010

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number 0-31051

SMTC CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

98-0197680

(IRS Employer Identification Number)

635 Hood Road, Markham, Ontario, Canada

(Address of Principal Executive Offices)

L3R 4N6

(Zip Code)

Registrant's telephone number, including area code: 905-479-1810

Securities registered pursuant to Section 12(b) of the Act:

| <u>Title of each class</u> | <u>Name of each exchange on which registered</u> |
|---|--|
| Common stock, par value \$.01 per share | Nasdaq Global Market Toronto Stock Exchange |

Securities registered pursuant to Section 12(g) of the Act: NONE

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of common stock of the registrant held by non-affiliates of the registrant was approximately \$9.5 million

on July 2, 2009, including the value of the common stock for which the exchangeable shares of the registrant's subsidiary, SMTC Manufacturing Corporation of Canada, are exchangeable. For purposes of the foregoing sentence, the term "affiliate" includes each director and executive officer of the registrant and each holder of more than 10% of the registrant's common stock. This determination of affiliate status is not necessarily a conclusive determination for other purposes. The computation of the aggregate market value is based upon the closing price of the common stock as reported on The NASDAQ Global Market on July 2, 2009, the last business day of the registrant's most recently completed second quarter.

As of March 1, 2010, SMTC Corporation had 13,943,284 shares of common stock, par value \$0.01 per share, and one share of special voting stock, par value \$0.01 per share, outstanding. As of March 1, 2010, SMTC Corporation's subsidiary, SMTC Manufacturing Corporation of Canada, had 703,048 exchangeable shares outstanding, excluding 7,245,262 exchangeable shares owned by the Company's wholly-owned subsidiary, SMTC Nova Scotia Company, each of which is exchangeable for one share of common stock of SMTC Corporation.

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SMTC Corporation
Amendment No.1 to
2009 Annual Report on Form 10-K/A

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Explanatory Note

This Amendment No. 1 (“Amendment No. 1”) to the Annual Report on Form 10-K of SMTC Corporation (“SMTC”, the “Company”, “we” or “us”) for the fiscal year ended January 3, 2010 as filed with the SEC on March 19, 2010 (the “2009 Annual Report”), is being filed to include the information required in Part III (Items 10, 11, 12, 13 and 14) of the 2009 Annual Report.

This Amendment No. 1 does not affect any other portion of the 2009 Annual Report, other than the filing of new Exhibits 31.1, 31.2, 32.1, and 32.2, which are being filed herewith. Additionally, except as specifically referenced herein, this Amendment No. 1 does not reflect any event occurring after March 19, 2010, the filing date of the 2009 Annual Report.

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Item 10. Directors, Executive Officers and Corporate Governance

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth our directors and executive officers, their ages as of April 30, 2010, the positions currently held by each person and their place of residence.

| <u>Name and Place of Residence</u> | <u>Age</u> | <u>Office</u> |
|--|------------|---|
| John Caldwell <i>Toronto, Ontario</i> | 60 | President and Chief Executive Officer and Director (1)(2) |
| Jane Todd <i>Aurora, Ontario</i> | 47 | Senior Vice President, Finance, and Chief Financial Officer (2) |
| Steven Hoffrogge <i>Aurora, Ontario</i> | 44 | Senior Vice President, Business Development |
| Wayne McLeod <i>Toronto, Ontario</i> | 70 | Director and Chair of the Board (3)(4)(5) |
| Thomas Cowan <i>Stamford, Connecticut</i> | 60 | Director and Chair of the Nominating and Governance Committee (3)(4)(5) |
| Alex Walker <i>Stouffville, Ontario</i> | 44 | Director and Chair of the Compensation and Management Development Committee (3)(4)(5) |
| John Marinucci <i>Oakville, Ontario</i> | 53 | Director and Chair of the Audit Committee (3)(4)(5) |
| David Sandberg <i>New York, New York</i> | 37 | Director |

- (1) Also a member of the board of directors of SMTC Canada.
- (2) Also an officer of SMTC Canada.
- (3) Member of the Nominating and Governance Committee.
- (4) Member of the Compensation and Management Development Committee.
- (5) Member of the Audit Committee.

John Caldwell has served as a director since March 2003, as the President and Chief Executive Officer of the Company since October 2003 and was Chair of the Board from March 2004 to August 2005. From October 2002 to September 2003, he held positions in the Mosaic Group Inc. (a marketing services provider) as Chair of the Restructuring Committee of the Board; in Geac Computer Corporation Limited (a computer software company) as a consultant from December 2001 to October 2002 and as President and Chief Executive Officer from October 2000 to December 2001; and in CAE Inc. (a flight simulation and training services company) from January 1988 to October 1999, including President and Chief Executive Officer from June 1993 to October 1999 and Chief Financial Officer from 1988 to 1992. Mr. Caldwell also serves on the boards of directors of Advanced Micro Devices Inc., Faro Technologies and IAMGOLD Corporation.

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Jane Todd joined the Company in July 2004 as Senior Vice President, Finance, and Chief Financial Officer. Ms. Todd brings leadership experience from both a technology and manufacturing background. Prior to joining SMTC, Ms. Todd served as the Chief Financial Officer of each of the following companies: a spin-off of General Electric, Dell Canada, Beamscope and Azerty Inc., a U.S. subsidiary of Abitibi-Consolidated. Ms. Todd is a Chartered Accountant and holds a Masters of Business Administration.

Steven Hoffrogge joined the Company in 2000 as part of the Company's acquisition of Pensar Corporation and serves as our Senior Vice President, Business Development. Previous positions at the Company include Vice President, Business Programs Management and Senior Director, IBM Global Accounts. Prior to joining SMTC, Mr. Hoffrogge was employed at Pensar Corporation, a regional EMS provider, from 1993 to 2000 where he progressed through various positions to Director of Sales.

Wayne McLeod has served as a director since February 2005 and Chair of our Board since August 2005. Mr. McLeod served as President, Chief Executive Officer and Chairman of CCL Industries during his term there from 1980-1999. He is currently a member of the boards of directors of Morguard Corp., Turbo Power Systems Inc., New Flyer Industries Inc., and Richards Packaging Inc., all listed on the Toronto Stock Exchange. He also serves on the Board of the Institute of Corporate Directors.

Thomas Cowan has served as a director since March 2003. Mr. Cowan is currently CEO of Vecker Corporation. From January 2005 to December 2005 Mr. Cowan was Executive in Residence at RockRidge Capital Partners. From December 2001 to December 2004, Mr. Cowan was Chairman, President and CEO of OutlookSoft Corporation. From March 2000 to December 2001, Mr. Cowan served as Chairman and President of Vcommerce Corporation. Previously he served for over 20 years in various financial and general management positions at IBM Corporation.

John Marinucci was appointed director in June 2008. Mr. Marinucci served as President and CEO of New Flyer Industries Inc., from 2002 to 2009. Prior to 2002, he served as President and COO for National Steel Car and is a former President of the Canadian Association of Railway Suppliers. Mr. Marinucci currently sits on the Board of Directors for New Flyer Industries Inc., Pillar5 Pharma, RoofRoc Ltd. and CWB Group and is a Governor of Mohawk College. Mr. Marinucci is a Chartered Accountant and is an accredited member of the Institute of Corporate Directors and holds the H.R.C.C.C. designation from the Corporate Directors College.

Alex Walker was appointed director in June 2008. Mr. Walker is currently Founder and Managing Director of Blackmore Partners Inc., a strategy and financial advisory firm. Prior to joining Blackmore Partners in 2007, Mr. Walker held CEO, COO, and CFO roles for private and public technology and manufacturing companies, such as Cube Route Inc., Abridgean Inc., Divine Inc., GNC Inc., and Guernsey Bel. Mr. Walker has served on the boards of several companies. He received an MBA from the University of Chicago and a Mechanical Engineering Degree from Queen's University.

David Sandberg was appointed director in April 2009. Mr. Sandberg is currently the managing member, founder, and portfolio manager of Red Oak Partners, LLC, a NY-based hedge fund, founded in March 2003 and co-manager and co-founder of Pinnacle Fund LLP, founded in 2008. Red Oak Partners LLC is SMTC's largest shareholder. Previously, Mr. Sandberg co-managed JH Whitney & Co's Green River Fund from 1998-2002. Mr. Sandberg received a BA in Economics and a BS in Industrial Management from Carnegie Mellon University.

INFORMATION REGARDING THE BOARD OF DIRECTORS AND ITS COMMITTEES

During 2009, the Board held eight (8) meetings. The Board has three standing committees: the Nominating and Governance Committee, the Audit Committee and the Compensation and Management Development Committee.

The Nominating and Governance Committee

The Nominating and Governance Committee of the Board of Directors consists of Thomas Cowan, John Marinucci, Wayne McLeod and Alex Walker. The Nominating and Governance Committee (i) identifies individuals qualified to become members of the Board, (ii) selects, or recommends that the Board select, the director nominees for the next annual meeting of Stockholders, (iii) develops and recommends to the Board a set of corporate governance principles applicable to the Company and (iv) oversees the evaluation of the Board and its dealings with management and the committees of the Board. The Nominating and Governance Committee met three (3) times in separate session during 2009. The Board approved a written charter for the Nominating and Governance Committee in April 2004, which is available on the Company's website at www.smtc.com.

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The Audit Committee

The Audit Committee, which met four (4) times in 2009, consists of John Marinucci, Thomas Cowan, Wayne McLeod and Alex Walker. Mr. Marinucci serves as the Chairman of the Audit Committee. The Board has determined that Mr. Marinucci and Mr. McLeod are “audit committee financial experts” as defined by the Securities and Exchange Commission.

The Audit Committee (i) appoints, oversees and replaces, if necessary, the Company’s independent auditor, (ii) assists the Board of Director’s oversight and review of the Company’s financial statements, the Company’s compliance with legal and regulatory requirements, the independent auditor’s qualifications and independence, and the performance of the Company’s independent auditor and (iii) prepares the Audit Committee Report included in this proxy statement.

The Board adopted and approved a revised written charter for the Audit Committee in April 2004, which was attached as an annex to the Company’s proxy statement filed in connection with its 2007 annual meeting of stockholders. The Audit Committee evaluates the sufficiency of its charter on an annual basis.

The Compensation and Management Development Committee

The Compensation Committee currently consists of Alex Walker, Thomas Cowan, John Marinucci and Wayne McLeod. The Compensation Committee met five (5) times in separate sessions in 2009. The general duties of the Compensation Committee are (i) to provide a general review of the Company’s compensation and benefit plans and (ii) to review compensation practices and policies and establish compensation for the officers of the Company.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires the Company’s directors, executive officers and any persons who directly or indirectly hold more than 10% of the Company’s Common Stock (“Reporting Persons”) to file reports of ownership and changes in ownership with the Securities and Exchange Commission (“SEC”) on Forms 3, 4 and 5. Reporting Persons are required by SEC regulations to furnish the Company with copies of all Forms 3, 4 and 5 they file.

Based on the Company’s review of copies of such forms it has received from its executive officers, directors and greater than 10% beneficial owners, the Company believes that during the period ended January 3, 2010, all Section 16(a) filing requirements applicable to its Reporting Persons were met in a timely manner.

Code of Ethics

The Company has adopted a Code of Ethics and Conduct applicable to all employees, including the principal executive officer, principal financial officer and principal accounting officer. A copy of the Code of Conduct is available on our website at www.smtc.com.

Stockholder Nomination

There have been no material changes to the procedures by which stockholders may recommend nominees to the board of directors.

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Item 11: Executive Compensation

SUMMARY COMPENSATION TABLE

The table below provides information concerning the compensation of our executive officers.

In the “Salary” column, we disclose the base salary paid to each of our executive officers.

In the “Option Awards” column, we disclose the aggregate grant date fair value of option awards granted in the fiscal year computed in accordance with FASB Accounting Standards Codification Topic 718 without reduction for assumed forfeitures. The ASC 718 fair value of our stock options is calculated based on assumptions summarized in Note 6 to our audited consolidated financial statements, which are included in our Annual Report on Form 10-K for the year ended January 3, 2010, as amended, and for which we recognize expense ratably over the vesting period.

In the column “All Other Compensation,” we disclose the sum of the dollar value of all other compensation that could not properly be reported in other columns of the Summary Compensation Table, including perquisites and amounts reimbursed for the payment of taxes.

SUMMARY COMPENSATION TABLE

| <u>Name and Principal Position</u> | <u>Year</u> | <u>Salary (\$)</u> | <u>Option Awards (\$)(a)</u> | <u>All Other Compensation (\$)(b)</u> | <u>Total (\$)</u> |
|--|-------------|--------------------|------------------------------|---------------------------------------|-------------------|
| John Caldwell | 2009 | \$472,566 | \$64,300 | \$ 37,712 | \$574,578 |
| President and Chief Executive Officer | 2008 | \$501,003 | \$51,000 | \$ 40,334 | \$592,337 |
| Jane Todd | 2009 | \$223,009 | \$32,150 | \$ 18,768 | \$273,927 |
| Senior Vice President, Finance and Chief Financial Officer | 2008 | \$236,898 | \$25,500 | \$ 20,073 | \$282,471 |
| Steve Hoffrogge | 2009 | \$242,920 | \$32,150 | \$ 18,096 | \$293,166 |
| Senior Vice President, Business Development | 2008 | \$257,538 | \$25,500 | \$ 19,355 | \$302,393 |

- (a) The amounts disclosed in this column represent the aggregate grant date fair value of option awards granted in the fiscal year computed in accordance with FASB ASC 718 during fiscal 2009 and 2008 for the following option awards. The fair values of these option awards were calculated based on assumptions summarized in Note 6 to our audited consolidated financial statements.
- (i) Mr. Caldwell was granted 100,000 stock options for Common Stock on November 10, 2009 with a Black-Scholes fair value of \$0.64 per share and an exercise price of \$1.00 per share, the closing price of the Company’s Common Stock on the date of grant. Mr. Caldwell was granted 100,000 stock options for Common Stock on November 10, 2008 with a Black-Scholes fair value of \$0.51 per share and an exercise price of \$0.70 per share, the closing price of the Company’s Common Stock on the date of grant. These shares vest in three equal, annual installments, beginning on the first anniversary of the date of grant. In accordance with ASC 718, we record expense for this grant ratably over the three-year vesting period.

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- (ii) Ms. Todd was granted 50,000 stock options for Common Stock on November 10, 2009 with a Black-Scholes fair value of \$0.64 per share and an exercise price of \$1.00 per share, the closing price of the Company's Common Stock on the date of grant. Ms. Todd was granted 50,000 stock options for Common Stock on November 10, 2008 with a Black-Scholes fair value of \$0.51 per share and an exercise price of \$0.70 per share, the closing price of the Company's Common Stock on the date of grant. These shares vest in three equal, annual installments, beginning on the first anniversary of the date of grant. In accordance with ASC 718, we record expense for this grant ratably over the three-year vesting period.
- (iii) Mr. Hoffrogge was granted 50,000 stock options for Common Stock on November 10, 2009 with a Black-Scholes fair value of \$0.64 per share and an exercise price of \$1.00 per share, the closing price of the Company's Common Stock on the date of grant. Mr. Hoffrogge was granted 50,000 stock options for Common Stock on November 10, 2008 with a Black-Scholes fair value of \$0.51 per share and an exercise price of \$0.70 per share, the closing price of the Company's Common Stock on the date of grant. These shares vest in three equal, annual installments, beginning on the first anniversary of the date of grant. In accordance with ASC 718, we record expense for this grant ratably over the three-year vesting period.
- (b) The amount shown as "All Other Compensation" represents the sum of the following:
 - (i) Mr. Caldwell's employment agreement provides for the following perquisites: in 2009, car allowance of \$31,573, professional dues valued at \$877 and medical benefits valued at \$5,262; in 2008 car allowance of \$33,768, professional dues of \$938 and medical benefits of \$5,628.
 - (ii) Ms. Todd's employment agreement provides for the following perquisites: in 2009, car allowance of \$12,629, professional dues of \$877 and medical benefits valued at \$5,262; in 2008, car allowance of \$13,507, professional dues of \$938 and medical benefits of \$5,628.
 - (iii) Mr. Hoffrogge's employment agreement provides for the following perquisites: in 2009, car allowance of \$12,834 and medical benefits valued at \$5,262; in 2008, car allowance of \$13,726 and medical benefits of \$5,628.

EMPLOYMENT AGREEMENTS

On March 30, 2007, SMTC Canada entered into an employment agreement and a Deferred Share Unit agreement with Mr. Caldwell. Under the terms of the agreements, Mr. Caldwell is entitled to an annual base salary of CDN\$534,000, which may be increased by the Board of Directors of SMTC Canada (the "SMTC Canada Board"). Mr. Caldwell is also entitled to receive a short term bonus which will be determined by the SMTC Canada Board, a car allowance and certain other standard benefits. In the event that Mr. Caldwell is terminated without cause or, following a change of control, is terminated without cause or constructively discharged, he is entitled to a lump sum payment of two years base salary and two times annual target bonus equal to his base salary. The employment agreement provides for customary non-competition and non-solicitation provisions which continue during the term of the agreement and for two years from the date of termination. Pursuant to the Deferred Share Unit agreement referred to above and a Deferred Share Unit agreement dated February 7, 2005, within 60 days following the termination of his employment (or within 10 days following a change of control), Mr. Caldwell will be entitled to a payment in respect of the units granted thereunder, based upon the fair market value of the Company's common stock.

On March 30, 2007, SMTC Canada entered into an employment agreement with Ms. Todd. Under the terms of the agreement, Ms. Todd is entitled to an annual base salary of CDN\$252,500, which may be increased by the SMTC Canada Board. Ms. Todd is also entitled to receive a short term bonus with a target of 50% of her base salary if certain financial and individual performance targets to be determined by the SMTC Canada Board are met, as well as a car allowance and certain other standard benefits. In the event that Ms. Todd is terminated without cause, she is entitled to salary continuance of twelve months plus one month for every year of service after twelve years of service, up to a maximum of eighteen months. The employment agreement provides for customary non-solicitation provisions which continue during the term of the agreement and for eighteen months from the date of termination.

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On March 30, 2007, SMTC Canada entered into an employment agreement with Mr. Hoffrogge. Under the terms of the agreement, Mr. Hoffrogge is entitled to an annual base salary of CDN\$274,500, which may be increased by the SMTC Canada Board. Mr. Hoffrogge is also entitled to receive a short term bonus with a target of 50% of his base salary if certain financial and individual performance targets to be determined by the SMTC Canada Board are met, as well as a car allowance, reimbursement for tax advice of up to CDN\$6,000 per year and certain other standard benefits. In the event that Mr. Hoffrogge is terminated without cause, he is entitled to salary continuance of twelve months plus one month for every year of service after twelve years of service, up to a maximum of eighteen months. The employment agreement provides for customary non-solicitation provisions which continue during the term of the agreement and for twelve months from the date of termination.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

The following table provides information regarding unexercised stock options and equity incentive plan awards for each executive officer outstanding as of the end of fiscal 2009. Each outstanding award is represented by a separate row which indicates the number of securities underlying the award.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

| Name | Option Awards | | | | Stock Awards (a) | | | |
|---|---|----------------------------|------------------------|------------|---|--|---|--|
| | Equity Incentive Plan Awards: | | | | Number of Shares or Units of Stock That Have Not Vested (#) | Market Value of Shares or Units of Stock That Have Not Vested (\$) | Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) | Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$) |
| Number of Securities Underlying Unexercised Options (#) | Number of Securities Underlying Unexercised Options (#) | Option Exercise Price (\$) | Option Expiration Date | | | | | |
| John Caldwell | 3,000 | — | \$ 3.75 | 5/6/2013 | — | — | — | — |
| | 200,000 | — | \$ 1.55 | 10/6/2014 | — | — | — | — |
| | 200,000 | — (b) | \$ 1.27 | 3/15/2015 | — | — | — | — |
| | 100,000 | — (c) | \$ 2.50 | 11/16/2011 | — | — | — | — |
| | 76,666 | 38,334 (c) | \$ 1.64 | 11/14/2012 | — | — | — | — |
| | 33,333 | 66,667 (c) | \$ 0.70 | 11/10/2013 | — | — | — | — |
| | — | 100,000 (c) | \$ 1.00 | 11/10/2014 | — | — | — | — |
| Jane Todd | 30,000 | — | \$ 2.75 | 7/6/2014 | — | — | — | — |
| | 50,000 | — (b) | \$ 1.17 | 3/15/2015 | — | — | — | — |
| | 40,000 | — (c) | \$ 2.50 | 11/16/2011 | — | — | — | — |
| | 33,334 | 16,666 (c) | \$ 1.64 | 11/14/2012 | — | — | — | — |
| | 16,667 | 33,333 (c) | \$ 0.70 | 11/10/2013 | — | — | — | — |
| — | 50,000 (c) | \$ 1.00 | 11/10/2014 | — | — | — | — | |
| Steve Hoffrogge | 600 | — | \$15.00 | 4/25/2012 | — | — | — | — |
| | 600 | — | \$25.00 | 4/25/2012 | — | — | — | — |
| | 800 | — | \$40.00 | 4/25/2012 | — | — | — | — |
| | 30,000 | — | \$ 4.00 | 3/12/2014 | — | — | — | — |
| | 50,000 | — (b) | \$ 1.17 | 3/15/2015 | — | — | — | — |
| | 40,000 | — (c) | \$ 2.50 | 11/16/2011 | — | — | — | — |
| | 33,334 | 16,666 (c) | \$ 1.64 | 11/14/2012 | — | — | — | — |
| | 16,667 | 33,333 (c) | \$ 0.70 | 11/10/2013 | — | — | — | — |
| | — | 50,000 (c) | \$ 1.00 | 11/10/2014 | — | — | — | — |

- (a) The Company has no outstanding stock awards.
- (b) The shares underlying this award vest by 25% each year beginning on the first anniversary date of the grant.
- (c) The shares underlying this award vest in three equal, annual installments, beginning on the first anniversary of the date of grant.

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POST-TERMINATION COMPENSATION AND CHANGE OF CONTROL PAYMENTS

Mr. Caldwell's employment was governed by an employment agreement dated February 7, 2005, until that employment agreement was superseded by an employment agreement dated August 15, 2006. With respect to the other executive officers prior to fiscal year 2007, the terms of employment regarding compensation and termination benefits were governed by terms outlined in individual offers of employment. In March of 2007, we amended the employment agreement with Mr. Caldwell, and the employment arrangements for Mr. Hoffrogge and Ms. Todd were formalized into employment agreements that mirrored the provisions outlined in each original offer letter. There are no changes between Mr. Caldwell's prior agreement and the offer letters that had been in place with Mr. Hoffrogge and Ms. Todd as compared to the new employment agreements with respect to any of the termination provisions detailed in this section.

Termination Without Cause

The executive officers have employment agreements with the Company that provide compensation upon termination for other than cause.

Under the agreements, the Company provides its executive officers, except for the Chief Executive Officer, with benefits equal to:

- a) Salary continuation for a period of twelve (12) months, plus one (1) month for every completed year of active employment beyond twelve (12) years of service, to a maximum of eighteen (18) months of salary continuance, and
- b) benefits continuation for the severance period.

In the event that, prior to the end of the salary continuation period, the executive officer obtains alternative employment that provides total remuneration that is at least 75% of the executive officer's total compensation previously provided by the Company, then the salary continuation payments will be discontinued and the Company will provide a lump sum payment, less applicable deductions, that is equivalent to 50% of the then remaining salary continuation payments that the executive officer would have been entitled to.

The Chief Executive Officer's employment agreement also provides compensation upon termination for other than cause. Under this agreement, the Company provides the Chief Executive Officer a lump sum payment, less applicable statutory deductions, equivalent to two times the aggregate base salary plus the target bonus payable under the Incentive Plan.

In the event that an executive officer is terminated without cause and is the recipient of the compensation described above, the executive officer must adhere to certain non-solicitation and confidentiality covenants in his or her respective employment agreement in order to receive such compensation during the severance period. Specifically, such executive officer cannot solicit any of the Company's customers or employees for a period of eighteen (18) months, and he or she cannot disclose or make use of any of the Company's confidential information in the same manner that was agreed to in the employment agreement. If the executive officer violates any of these covenants during the salary continuation period, all salary continuation payments and any rights to such will be terminated.

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Termination in the Event of a Change of Control

The Company has included a change of control provision in the employment agreement of the Chief Executive Officer. In the event of a change of control as described below, if within six months following the change of control the Chief Executive Officer is terminated without cause or is constructively dismissed, the Chief Executive Officer is entitled to a lump sum payment, less applicable statutory deductions, equivalent to two times the aggregate base salary plus the target bonus payable under the Incentive Plan. In establishing this provision, the Board of Directors considered the market competitiveness of the arrangement and the Company's ability at the time to retain a qualified Chief Executive Officer.

In the Chief Executive Officer's employment agreement, a change of control is defined as follows:

- a) the acquisition, directly or indirectly and by any means whatsoever, by any one stockholder, or group of stockholders acting jointly or in concert, of more than 50% of the outstanding voting shares of the Company; or
- b) a sale by the Company (in one or more transactions) of all or substantially all of its assets to an unrelated third party, or other liquidation or dissolution; or
- c) a merger, consolidation, arrangement or other reorganization of the Company which results in the Company's stockholders owning less than 50% of the voting shares of the resulting entity.

Termination as a Result of the Privatization of the Company

In the event that the Company's common shares cease to be publicly traded or the Company ceases to be an SEC registrant (except by reason of a change of control where the executive officer continues as Chief Executive Officer of a successor public company), the Chief Executive Officer may at his option, deem his employment to have been terminated without cause. He would then be entitled to all of the benefits specific to him described above in "Termination Without Cause."

Accelerated Vesting of Stock Options in the Event of a Change of Control

The 2000 Plan contains provisions to protect the executive officers in the event of a change of control, defined in the 2000 Plan as a "covered transaction."

In the 2000 Plan, a covered transaction is defined as any of:

- (i) a consolidation or merger in which the Company is not the surviving corporation or which results in the acquisition of all or substantially all of the Company's then outstanding Common Stock by a single person or entity or by a group of persons and/or entities acting in concert,
- (ii) a sale or transfer of all or substantially all of the company's assets, or
- (iii) a dissolution or liquidation of the Company.

In the event of a covered transaction:

- a) all outstanding awards shall vest and if relevant become exercisable, immediately prior to the covered transaction;
- b) all deferrals, other than deferrals of amounts that are neither measured by reference to nor payable in shares of Common Stock or exchangeable shares, shall be accelerated, immediately prior to the covered transaction; and
- c) upon consummation of a covered transaction, all awards then outstanding and requiring exercise shall be forfeited unless, in each case, such awards and deferrals are assumed by the acquiring or surviving entity or its affiliate.

In connection with any covered transaction in which there is an acquiring, a surviving entity or in which all or substantially all of the Company's then outstanding Common Stock is acquired, the Compensation Committee may provide for substitute or replacement awards from, or the assumption of awards by, the company, the acquiring or surviving entity or its affiliates, as applicable.

Termination in the Event of Disability

The employment agreements of the executive officers provide for termination in the event of a partial or total disability of an executive officer.

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“Partially or Totally Disabled” means any physical or mental incapacity, disease or affliction, as determined by a legally qualified medical practitioner, which prevents the executive officer from performing the essential duties of his position.

In the event that the executive officer is Partially or Totally Disabled for a period of six (6) months or less, he shall receive all remuneration including bonuses, payments and rights including all benefits provided for under the employment agreement, as if he were regularly and fully employed.

In the event that the executive officer is Partially or Totally Disabled for a continuous period of more than six (6) months, the Company shall be entitled to terminate the employment of the executive officer by giving written notice to the executive officer. In the event of a termination of employment under these circumstances, the executive officer shall be entitled to the salary continuance benefits that would have been payable if the termination was involuntary and not for cause (as described above).

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COMPENSATION OF DIRECTORS

In November 2008, the Board approved a revised compensation plan effective January 1st, 2009 for independent directors (the “2009 Compensation Plan”). Pursuant to the 2009 Compensation Plan, independent directors will earn a retainer of CDN \$50,000 per year for serving on our Board. The Chairman of the Board will earn an additional retainer of CDN \$15,000, the Chairman of the Audit Committee will earn an additional retainer of CDN \$6,000 and the Chairman of all other committees will earn an additional retainer of CDN\$3,000. Board fees will be reduced on a prorated basis for non-attendance. The Members of the Board are also required over a five year period to own shares valued at CDN \$50,000.

We pay no additional remuneration to our employees for serving as directors or on committees. The following table outlines the compensation to the Board of Directors for the year ended January 3, 2010:

| <u>Name and Principal Position</u> | <u>Year</u> | <u>Fees Earned</u> | <u>Stock</u> | <u>Option</u> | <u>All Other</u> | <u>Total</u> |
|------------------------------------|-------------|---|------------------------------|------------------------------|------------------------------------|--------------|
| | | <u>or Paid in</u> <u>Cash</u> <u>(\$)</u> | <u>Awards</u> <u>(\$)</u> | <u>Awards</u> <u>(\$)</u> | <u>Compensation</u> <u>(\$)</u> | <u>(\$)</u> |
| Wayne McLeod | 2009 | \$ 57,522 | — | — | — | \$57,522 |
| Thomas Cowan | 2009 | \$ 46,617 | — | — | — | \$46,617 |
| John Marinucci | 2009 | \$ 49,558 | — | — | — | \$49,558 |
| David Sandberg | 2009 | \$ 31,576 | — | — | — | \$31,576 |
| Alex Walker | 2009 | \$ 46,018 | — | — | — | \$46,018 |

Item 12: Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table sets forth, as of May 1, 2010, information regarding beneficial ownership. The table sets forth the number of shares beneficially owned and the percentage ownership for:

- each person who is known by us to own beneficially more than 5% of our outstanding shares of Common Stock;
- each executive officer named in our summary compensation table and each director; and
- all executive officers and directors as a group.

As of May 1, 2010, our outstanding equity securities (including exchangeable shares of our subsidiary, SMTC Canada, other than holdings of SMTC Nova Scotia Company, a subsidiary of SMTC Canada) consisted of 14,683,000 shares.

Unless otherwise indicated below, to our knowledge, all persons listed below have sole voting and investment power with respect to their shares, except to the extent authority is shared by spouses under applicable law. Unless otherwise indicated below, each entity or person listed below maintains a mailing address of c/o SMTC Corporation, 635 Hood Road, Markham, Ontario, Canada L3R 4N6. The number of shares beneficially owned by each Stockholder is determined under rules promulgated by the Securities and Exchange Commission. The information is not necessarily indicative of beneficial ownership for any other purpose. Under these rules, beneficial ownership includes any shares as to which the individual or entity has sole or shared voting or investment power and any shares as to which the individual or entity has the right to acquire beneficial ownership within 60 days after May 1, 2010 through the exercise of any stock option, warrant or other right. The inclusion in the following table of those shares, however, does not constitute an admission that the named Stockholder is a direct or indirect beneficial owner.

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| <u>Name and Address</u> | <u>Shares Beneficially Owned</u> | | | <u>Percentage of Shares Beneficially Owned(*)</u> |
|---|----------------------------------|------------------------------|--------------|---|
| | <u>Shares</u> | <u>Options/ Warrants</u> | <u>Total</u> | |
| Principal Stockholders: | | | | |
| Red Oak Partners LLC(1) 654 Broadway, Suite 5 New York, New York, 10012 | 2,482,192 | — | 2,482,192 | 16.9% |
| Directors and Executive Officers: | | | | |
| John Caldwell(2) | — | 613,000 | 613,000 | 4.2% |
| Jane Todd | — | 170,000 | 170,000 | 1.2% |
| Steven G. Hoffrogge | 3,200 | 172,000 | 175,020 | 1.2% |
| Thomas Cowan | — | 3,000 | 3,000 | # |
| Wayne McLeod(3) | 15,000 | — | 15,000 | 0.1% |
| Alex Walker | — | — | — | — |
| John Marinucci | — | — | — | — |
| David Sandberg(1) | 2,482,192 | — | 2,482,192 | 16.9% |
| All Directors and Executive Officers as a group (8 persons) | 2,500,392 | 958,000 | 3,458,392 | 23.6% |

* The number of shares of Common Stock deemed outstanding on May 1, 2010 with respect to a person or group includes (a) 14,683,000 shares outstanding on such date (including shares of Common Stock issuable upon exchange of exchangeable shares of our subsidiary, SMTC Canada, other than exchangeable shares held by SMTC Nova Scotia Company, a subsidiary of SMTC Canada) and (b) all options that are currently exercisable or will be exercisable within 60 days of May 1, 2010 by the person or group in question.

Represents an amount less than 1.0% of shares outstanding.

- (1) Holdings as of March 5, 2009 as reported on Form 4 filed with the Securities and Exchange Commission on March 5, 2009 by Red Oak Partners, LLC. The Red Oak Fund, LP (the “Fund”); Red Oak Partners, LLC (the “General Partner”), which is the general partner of the Fund; and David Sandberg, who is the managing member of the General Partner, report having shared power to vote or to direct the vote of all of such shares of Common Stock and power to dispose or direct the disposition of all of such shares.
- (2) Includes options to purchase 413,000 shares of the Company’s Common Stock and options to purchase 200,000 exchangeable shares of SMTC Canada,
- (3) Represents 15,000 exchangeable shares of SMTC Canada. Subject to applicable legal requirements, the exchangeable shares of SMTC Canada are exchangeable on a one-for-one basis for shares of Common Stock of SMTC at the option of the holder.

Equity Compensation Plan Information

The Company maintains the Amended and Restated SMTC (HTM) 1998 Equity Incentive Plan (the “1998 Plan”), which was approved by the Board of Directors and the stockholders of the Company as of September 30, 1998 and which amended and restated the plan as initially adopted by the Board of Directors and the stockholders of the Company as of July 30, 1999. The Company also maintains the SMTC Corporation/SMTC Manufacturing Corporation of Canada 2000 Equity Incentive Plan (the “2000 Plan”), which was adopted by the Board of Directors and the stockholders of the Company in July of 2000. The Board of Directors and the stockholders of the Company approved an amendment to the 2000 Plan in April 2004 and May 2004, respectively and a second amendment to the 2000 Plan in March 2007 and May 2007, respectively (the “Amended 2000 Plan”).

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The following table gives information about awards under the 1998 Plan and the Amended 2000 Plan as of January 3, 2010:

| <u>Plan Category</u> | <u>Number of shares to be issued upon exercise of outstanding options, warrants and rights</u> | <u>Weighted average exercise price of outstanding options, warrants and rights</u> | <u>Number of shares remaining available for future issuance under equity compensation plans (excluding shares reflected in column(a))</u> |
|---|--|--|---|
| | <u>(a)</u> | <u>(b)</u> | <u>(c)</u> |
| Equity compensation plans approved by stockholders: | 1,937,440 | \$ 1.72 | 153,870(1)(2) |

Notes:

- (1) Pursuant to the terms of the Amended 2000 Plan, the number of shares of Stock that may be issued under Awards granted under the Amended 2000 Plan (including Stock that may be issued on the exchange of Exchangeable Shares issuable under Awards) shall not exceed (A) 1,800,000 plus (B) as of the first day of each fiscal year (commencing with the fiscal year beginning in 2008) of the Company during the life of the Plan, an additional number of shares determined by the Board but not to exceed 1% of the total number of shares of Stock actually outstanding on such date. Notwithstanding the preceding sentence, no more than 1,700,000 shares of Stock may be delivered in satisfaction of any incentive stock options awarded under the Amended 2000 Plan.
- (2) The number of Exchangeable Shares that may be issued under Awards granted under the Amended 2000 Plan shall not exceed 750,000.

Item 13: Certain Relationships and Related Transactions, and Director Independence

RELATED PARTY TRANSACTIONS

Stockholders Agreement

Certain of our current Stockholders and option holders are parties to a stockholders agreement that, among other things, provides for registration rights and contains provisions regarding the transfer of shares.

Employment Arrangements

The Company and each executive officer have entered into employment agreements. Each of these employment arrangements is more fully described under "Employment Agreements."

DIRECTOR INDEPENDENCE

The Board has determined that each of Thomas Cowan, John Marinucci, David Sandberg, Alex Walker and Wayne McLeod is an "independent director" as defined in the rules of the NASDAQ Global Market ("NASDAQ Rules").

All members of the Nominating and Governance Committee are "independent directors" as defined in and as required by NASDAQ Rules.

All Audit Committee members are "independent directors" as defined in NASDAQ Rules and Rule 10A-3(b)(1) under the Securities and Exchange Act of 1934, and as required by NASDAQ Rules.

All Compensation and Management Development Committee members are "independent directors" as defined in and as required by NASDAQ Rules.

Item 14: Principal Accountant Fees and Services

KPMG LLP acted as independent auditors for the Company for the period ended January 3, 2010.

Fees to the Company for professional services rendered by KPMG LLP during 2007 and 2008 were as follows: *Audit Fees*: U.S.\$632,200 for 2008 and U.S.\$ 540,000 for 2009; *Tax Fees*: U.S.\$5,300 for 2008 and U.S.\$64,000 for 2009, which were in connection with tax compliance matters; and *All Other Fees*: nil for 2008 and U.S.\$3,800 for 2009.

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In April 2004, the Board adopted an Audit and Non-Audit Services Pre-Approval Policy for the Audit Committee. Under the policy, the Audit Committee has pre-approved certain audit and audit related services, tax services and other services. The Audit Committee has determined that the provision of those services that are pre-approved in the policy will not impair the independence of the auditor. The provision of services by the auditor which are not pre-approved in the policy are subject to separate pre-approval by the Audit Committee. The policy also pre-approved certain specified fee levels for the specific services. Payments in excess of these specified levels are subject to separate pre-approval by the Audit Committee.

The Audit Committee has considered whether KPMG LLP's provision of non-audit services is compatible with its independence. We expect that representatives from KPMG LLP will be present at the Annual Meeting and will be available to respond to appropriate questions and have the opportunity to make a statement if they desire.

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

CERTIFICATIONS

I, John Caldwell, certify that:

1. I have reviewed this Amendment Number 1 to the annual report on Form 10-K of SMTC Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in the Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 3, 2010

/s/ John Caldwell

John Caldwell

President and Chief Executive Officer

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

CERTIFICATIONS

I, Jane Todd, certify that:

1. I have reviewed this Amendment Number 1 to the annual report on Form 10-K of SMTC Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in the Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 3, 2010

/s/ Jane Todd

Jane Todd
Chief Financial Officer

**CERTIFICATION PURSUANT TO
SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, as chief executive officer of SMTC Corporation (the "Company"), does hereby certify that to the undersigned's knowledge:

- 1) Amendment Number 1 to the Company's annual report on Form 10-K for the fiscal period ended January 3, 2010 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- 2) the information contained in Amendment Number 1 to the Company's annual report on Form 10-K for the fiscal period ended January 3, 2010 fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ John Caldwell

John Caldwell
President and Chief Executive Officer

Date: May 3, 2010

A signed original of this written statement required by Section 906 has been provided to SMTC Corporation and will be retained by SMTC Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO
SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 1350, Chapter 63 of Title 18, United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, as principal financial officer of SMTC Corporation (the "Company"), does hereby certify that to the undersigned's knowledge:

1) the Company's annual report on Form 10-K for the fiscal period ended January 3, 2010 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2) the information contained in Amendment Number 1 to the Company's annual report on Form 10-K for the fiscal period ended January 3, 2010 fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jane Todd

Jane Todd
Chief Financial Officer

Date: May 3, 2010

A signed original of this written statement required by Section 906 has been provided to SMTC Corporation and will be retained by SMTC Corporation and furnished to the Securities and Exchange Commission or its staff upon request.