

Approved by Board of Directors:
November 14, 2007

IEC ELECTRONICS CORP.

RELATED PERSON TRANSACTIONS POLICIES AND PROCEDURES

Policy

The Board of Directors of IEC Electronics Corp. (the “Company”) recognizes that transactions with related persons present a heightened risk of conflicts of interest and/or improper valuation (or the perception thereof) and are to be discouraged unless they are determined to be in the Company’s best interest and have been approved in accordance with the terms and conditions of this Related Person Transactions Policies and Procedures (the “Policy”). Accordingly, except as otherwise provided in the Policy, all Interested Transactions with Related Persons (as those terms are defined herein) require prior approval or ratification by the Audit Committee (or by the Board of Directors in certain circumstances as provided for below), in accordance with the procedures set forth below. This Policy is intended to supplement the Company’s Code of Business Conduct and Ethics, which is also applicable to Related Persons and is not limited by this Policy.

Definitions

An “Interested Transaction” is any transaction, arrangement or relationship or series of similar transactions, arrangements or relationships (including any indebtedness or guarantee of indebtedness) in which (1) the aggregate amount involved will or may be expected to exceed \$90,000 in any fiscal year; (2) the Company is a participant; and (3) any Related Person has or will have a direct or indirect material interest. The materiality of any interest is to be determined on the basis of the significance of the information to the investors in the Company in light of all the circumstances. Factors to be considered may include the importance to the Related Person (financially or otherwise), the relationship of the Related Person to the transaction and of Related Persons with each other and the dollar amount involved in the transaction. *See Sections 8 and 9 under Procedures for examples of Interested Transactions and examples of transactions that are not included within the meaning of Interested Transactions.*

A “Related Person” is any (a) person who is or was (since the beginning of the last fiscal year for which the Company has filed a Form 10-K and proxy statement, even if such person does not currently serve in that role) an executive officer, director or nominee for election as a director; (b) greater than five (5) percent beneficial owner of the Company’s common stock, or (c) immediate family member of any of the foregoing. Immediate family member includes a person’s spouse, parents, stepparents, children, stepchildren, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, and brothers- and sisters-in-law, and anyone residing in such person’s home (other than a tenant or employee).

Procedures

1. The Audit Committee shall review any proposed transaction between the Company and a Related Person to determine if it rises to the level of an Interested Transaction, and, if it does, then the Audit Committee must approve, ratify or, at its discretion, take other action with respect to such Interested Transaction. If a member of the Audit Committee is the applicable Related Person or an immediate family member thereof, such director may not participate in the deliberations or vote respecting such approval, provided, however, that such director may be counted in determining the presence of a quorum at a meeting of the Audit Committee which considers such Interested Transaction. In the event that a majority of the members of the Audit Committee have an interest in the proposed Interested Transaction, then the Board of Directors, acting by a majority of directors who have no interest in the proposed Interested Transaction, even though the disinterested directors shall be less than a quorum, shall review the material facts of the proposed Interested Transaction and either approve, ratify or at its discretion, take such other action, with respect to the proposed Interested Transaction. No director may participate in any discussion or approval of an Interested Transaction in which such director or immediate family member thereof is a Related Person, except that the director will provide all material information concerning the Interested Transaction to the Audit Committee or the Board of Directors.

2. All material facts respecting the Interested Transaction and the Related Person's interest therein shall be disclosed to the Audit Committee or the Board of Directors, as the case may be.

3. In determining whether to approve an Interested Transaction, the Audit Committee or the Board of Directors, as the case may be, will take into account, among other factors it deems appropriate, (a) whether the Interested Transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances; (b) the extent of the Related Person's interest in the Interested Transaction; (c) whether the Interested Transaction is fair and reasonable to the Company and consistent with the best interests of the Company and its stockholders. The Audit Committee or Board of Directors shall not be required by this Policy to obtain a fairness opinion or other third party support or advice regarding the fairness of the Interested Transaction, but may do so if it so determines in its discretion.

4. Information regarding potential Interested Transactions shall be furnished to the Audit Committee in the following manner:

(a) Each director (other than the Audit Committee Chair), director nominee, and executive officer shall promptly notify the Audit Committee Chair in writing of any interest that such person or immediate family member of such person had, has or will have in a transaction with the Company. In the case of the Audit Committee Chair, he or she shall promptly notify the other members of the Audit Committee in writing of any interest that the Audit Committee Chair or an immediate family member thereof had, has or will have in a transaction with the Company. Each such notice shall state:

- i. The person's interest in the transaction, including his or her positions with or ownership in any entity that has an interest in the transaction.
- ii. Whether the Company is a party to the transaction, and if not, the nature of the Company's participation in the transaction.
- iii. The identities of the other parties to the transaction.
- iv. The purpose and timing of the transaction.
- v. The approximate dollar value of the transaction and the approximate dollar value of the Related Person's interest in the transaction.

(b) Each year the directors, director nominees, and executive officers will be required to complete a questionnaire which will identify any transaction between the directors or director nominees or executive officers, including their immediate family members, and the Company. The Audit Committee will review any transactions identified from the questionnaires and take appropriate action.

5. In the event the Company becomes aware of an Interested Transaction that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee or the Board of Directors as provided herein. The Audit Committee or Board of Directors reviewing such transaction shall consider all of the relevant facts and circumstances respecting such transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of such transaction, and shall take such course of action as the Audit Committee or Board of Directors deems appropriate under the circumstances. The Audit Committee or Board of Directors shall also examine the facts and circumstances pertaining to the failure of such transaction to have been presented to the Audit Committee or Board of Directors under this Policy and shall take any such action as deemed appropriate under the circumstances.

6. If an Interested Transaction will be ongoing, the Audit Committee or Board of Directors may establish guidelines for the Company's management to follow in its ongoing dealings with the Related Person. Thereafter, the Audit Committee or Board of Directors shall periodically review and assess ongoing relationships with the Related Person to see that they are in compliance with such guidelines and that the Interested Transaction remains appropriate.

7. Material amendments and/or modifications to Interested Transactions previously approved or ratified by the Audit Committee or Board of Directors shall require the approval or ratification of the Audit Committee or Board of Directors as applicable.

8. Examples of Interested Transactions may include:

(a) Legal, investment banking, consulting, or management services provided to the Company by a Related Person or a business entity with which the Related Person is affiliated.

(b) Sales, purchases and leases of real or personal property between the Company and a Related Person or a business entity with which the Related Person is affiliated.

(c) Investments by the Company in a business entity with which a Related Person is affiliated or by a business entity with which a Related Person is affiliated in the Company, except in any case where the investment would not be of material interest to investors in the Company.

(d) Contributions by the Company to a civic or charitable organization for which a Related Person serves as an executive officer.

(e) Indebtedness or guarantees of indebtedness involving the Company and a Related Person or a business entity with which the Related Person is affiliated.

9. The Audit Committee and Board of Directors have reviewed the types of Interested Transactions described below and determined that each of the following Interested Transactions shall be deemed to be pre-approved for purposes of this Policy, even if the aggregate amount involved will exceed \$90,000.

(a) Any compensation paid by the Company to an executive officer if such executive officer's employment and compensation for serving in that capacity has been approved by the Compensation Committee and/or the Board of Directors and is reported pursuant to Item 402 of Regulation S-K.

(b) Any compensation paid by the Company to a director if such compensation has been approved by the Compensation Committee and/or the Board of Directors and is reported pursuant to Item 402 of Regulation S-K.

(c) Any transaction where the Related Person's interest arises solely from the ownership of the Company's common stock or other securities and all holders of the Company's common stock or such other securities are entitled to receive the same benefit on a *pro rata* basis (e.g. dividends, interest payments or anti-dilution rights).

(d) Any transaction in which the Related Person's interest arises only from (1) the person's position as a director of another entity that is a party to the transaction and/or (2) the direct or indirect ownership by such person and all other Related Persons, in the aggregate, of less than a 10% equity interest in another entity and, in the case of partnerships, the person is not a general partner.

(e) Ordinary course business and travel advances and reimbursements.

(f) Any transaction involving a Related Party where the rates or charges involved are determined by competitive bids.

(g) Any transaction with a Related Party involving the rendering of services as a common or contract carrier, or public utility, at rates or charges fixed in conformity with law or governmental authority.

(h) Any transaction with a Related Party involving services as a bank depository of funds, transfer agent, registrar, trustee under a trust indenture, or similar services.

10. If any proposed Interested Transaction requires approval by stockholders under the Company's Certificate of Incorporation, the rules of any applicable stock exchange or other applicable law, such proposed Interested Transaction shall also be subject to such required stockholder approval.

11. The Audit Committee shall periodically review and reassess this Policy and submit any recommended changes to the Board of Directors for its consideration. The Board of Directors may amend or otherwise modify this Policy from time to time.