

Conflict Minerals

Dodd-Frank Act Section 1502 (e)(4) is a United States regulation requiring public companies to disclose all conflict minerals contained within their products. This regulation defines conflict minerals as the four primary minerals (tin, tantalum, tungsten, and gold) that fuel the ongoing civil conflict between military factions in the eastern provinces of the Democratic Republic of the Congo (DRC) and adjoining countries.



Every calendar year, companies subject to this rule must file Form SD with the Securities and Exchange Commission (SEC) by May 31.

Many companies use the Conflict Minerals Reporting Template (CMRT) to manage these requirements. The CMRT was developed by the Responsible Materials Initiative (RMI) and is an industry-standard template used to collect and verify the origin of materials used at the smelter level.

To conduct proper due diligence, a company must ensure this annually reporting requirement includes all sources of such minerals within their entire supply chain. Thus, a company has the heavy burden of cascading these reporting requirements down through each tier of their supply chain, which could be several tiers, and securing data from multiple departments within those supply chain tiers. This level of effort denotes a new type of supply chain challenge.



Conflict Minerals Overview

Conflict Minerals and Your Business

Are you required to submit an annual conflict minerals report? The answer depends on two factors. First, are you required to file reports with the SEC? Second, are conflict minerals necessary to the production of the product(s) you manufacture?

If both are true statements, your company is responsible for filing an annual conflict materials report.

Conflict Minerals Enforcement Penalties for Non-Compliance

The legislation does not currently include any legal penalties for non-compliance. Outside of legal implications of not complying, issuers may face pressure from non-governmental organizations, human rights activists, and consumer or other market forces to prove they are conflict-free.

Gain Access to Conflict Mineral Data on Thousands of Suppliers

With SiliconExpert's Part Search and BOM Manager, our Conflict Mineral module identifies the most up-to-date DRC conflict mineral statuses and links to all supporting documents and policies, including RMI templates and certificates of compliance.

Detailed searches associate suppliers with specific smelter companies, locations, substances, and RMI Conformant Smelter & Refiner Lists.

SiliconExpert provides detailed smelter reporting through consolidation, validation, and aggregation of thousands of suppliers' CMRTs. These aggregated CMRTs are then used to build a custom CMRT for our customers based on their supply chain that can then be used to complete the required SD reporting form.

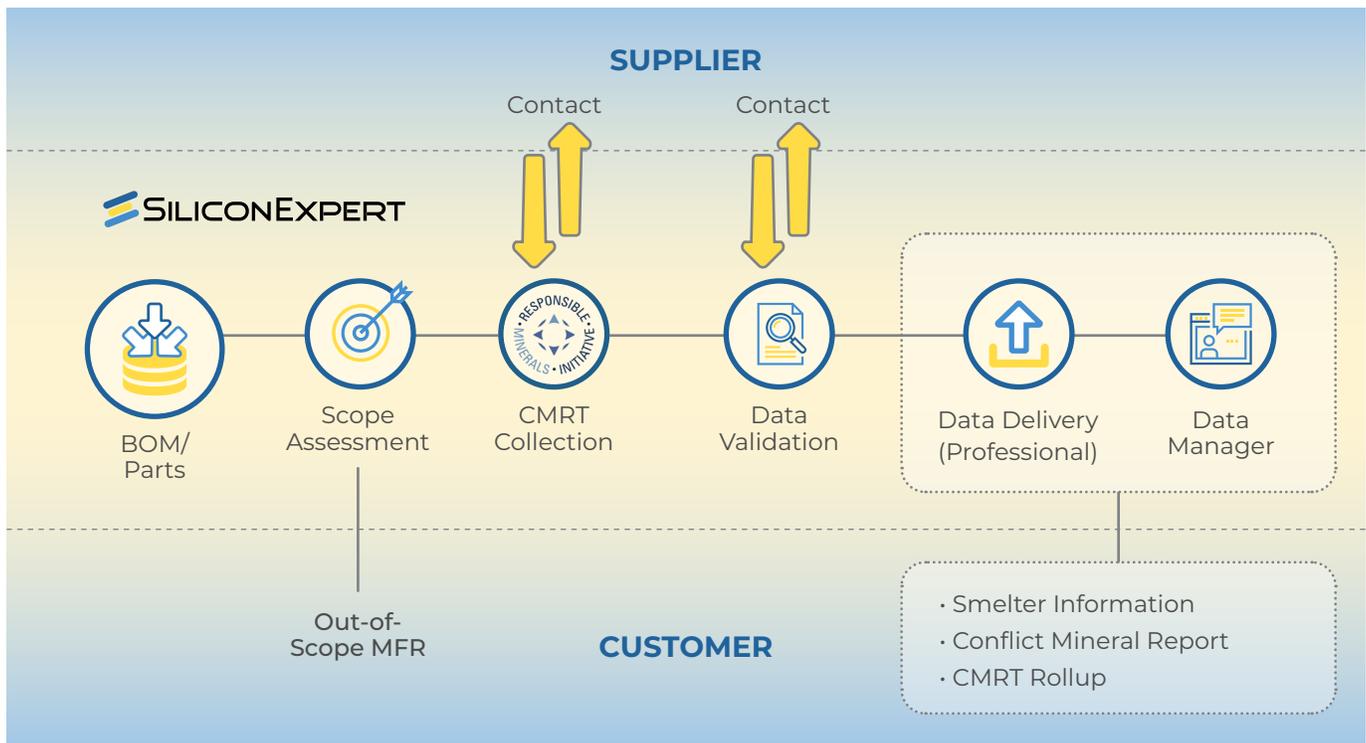


Conflict Minerals Overview

SiliconExpert Conflict Minerals Workflow

The following figure exemplifies the SiliconExpert workflow in collecting, validating, and aggregating our custom CMRTs.

Upon upload of a customer's parts or BOM, SiliconExpert validates the manufacturers by checking if they are out of scope. If in scope, the individual manufacturers' CMRTs are collected, data is validated, and the customer is provided through our manager tool and professional services various delivery options of that smelter information, CM report, and CMRT rollup.



Conflict Minerals Overview

SiliconExpert Module Features & Offerings



LATEST CONFLICT MINERAL STATUS

Effortlessly determine the most recent DRC conflict mineral status without the hassle of contacting suppliers.



SEARCH BY SUPPLIER

Stop searching suppliers' webpages. Easily view conflict mineral statuses by supplier or product line.



ALL DOCUMENTS AND TEMPLATES

Instantly access, download, send, and share all documents, including RMI templates, certificates of compliance, and other supporting documents.



CUSTOMIZED VIEWS

Save time by filtering the data points to focus on the conflict mineral data you wish to see.



SEARCH BY SMELTER

Know everything associated with the smelter, such as the smelter company, location and date, conflict sourcing policy, and smelter/miner details.



CONFLICT MINERAL REPORT

Smelter validation, aggregation, consolidation, and compliance status.



SMELTER INFORMATION

Gain insight on smelter and mining locations based on individual substances, products, and categories.



CMRT ROLLUP

Aggregate suppliers' CMRT information to generate customer CMRT.