



## NVD Conflict Minerals Compliance Requirement

May 06, 2021

Dear Supplier

On August 22, 2012, the Securities and Exchange Commission adopted a new rule and form, as mandated by Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Rule**"), to require publicly traded companies to disclose their use of certain minerals that originated in the Democratic Republic of the Congo ("**DRC**") or adjoining countries which are currently Angola, Burundi, Central African Republic, the Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda, and Zambia (collectively known as the "**Covered Countries**"). These minerals are commonly referred to as "3TG" (tin, tantalum, tungsten, & gold). The Rule requires all public companies to publicly report on an annual basis certain information concerning 3TG contained in products that they manufacture or contract-to-manufacture to the extent that 3TG is necessary to the functionality or production of the products.

Congress enacted the Rule because of concerns that the exploitation and trade of these minerals by armed groups is helping to finance conflict in the DRC region and is contributing to an emergency humanitarian crisis.

NVD fully supports this legislation and is committed to responsible sourcing of 3TG as well as full compliance with the requirements of the Rule.

We expect our suppliers to go deep into their supply chain to support our efforts in identifying the origin of these minerals used in our products. In addition, we require our suppliers to implement controls on their supply chains consistent with NVD's commitment to avoiding use of minerals that have fueled conflict. Where possible, we expect our suppliers to source 3TG from smelters and refiners that are validated as being conflict free.

We require each of our suppliers to implement processes to undertake:

- (1) a reasonable inquiry into the country of origin of 3TG incorporated by such supplier or by any of its manufacturers or suppliers into any provided materials;
- (2) due diligence on the source and chain of custody of the 3TG in its supply chain, as necessary, to determine if any 3TG sourced from the Covered Countries directly or indirectly finance or benefit armed groups in the Covered Countries;
- (3) appropriate risk assessment and mitigation actions in connection with its country-of-origin inquiry and due diligence process, consistent with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

In order to comply with this requirement, every supplier in NVD's supply chain will be required to complete the Conflict Minerals Reporting Template (CMRT) found at <http://www.conflictreesourcing.org/> within 10 business days of receipt of this letter. Each supplier shall complete the template to the best of its knowledge, and the responses to the questionnaire shall be true, accurate and complete with respect to all provided materials such supplier supplied or will supply to or on behalf of NVD. Each supplier's conflict minerals status will be assessed by NVD's Supply Chain team based on the supplier's responses to the questionnaire. If at any time a supplier determines that the answers it has previously provided to NVD are no longer accurate, then such supplier shall promptly notify NVD of this fact by submitting a new Conflict Minerals Reporting Template.

Sincerely,

Selina XU  
Purchasing Manager

A handwritten signature in black ink, appearing to read 'Selina XU', is written over the typed name and title.