

OTIC Statement On

Raw Material Procurement

As a smeltery specialized in Ta & Nb industry, Ningxia Orient Tantalum Industry Co., Ltd. (hereinafter called as "OTIC") has keeping global leading edge in technology and production scale based on accumulative development in the past half century. Being one of executive members of Tantalum-Niobium International Study Center (TIC), OTIC consistently do our best in offering excellent services to worldwide famous firms in consumer electronics with complete series of high-quality Ta & Nb products for meeting various changing needs from on-front consumers through continuous creativity.

OTIC always actively assume social responsibility, repay adjacent communities and take great care of professional health and safety of OTIC's employees. We guarantee that all products supplied by OTIC are in compliance with industrial technical specification and all operation activities are legal and ethical.

For meeting the requirement of restricting conflict minerals flowing into electronic supply chain, which was proposed by UN and such international organizations as OECD (The

Organization for Economic Cooperation and Development) , we have conducted corresponding training sessions for all OTIC persons, and studied relevant documents, news and reports from the UN, OECD, EICC, etc. , so all OTIC directors, administrators and operators clearly understand the meaning of " Conflict Minerals".

In the meantime OTIC fully supports all actions of Electronics Industry Citizenship Coalition (EICC) and the Global e-Sustainability Initiative (GeSI) for establishing Conflict-Free Smelter (CFS) Program , and condemns all activities in connection with the illegal and unlawful exploitation of mineral resources.

Since 2009, OTIC has performed a thorough due diligence on all raw material suppliers (as tantalum concentrate, Ta oxide, slag and scrap) and established complete audit filing of raw material suppliers in accordance with requirements of the OECD and EICC guidelines before we sign any contract or accept any material, including sourcing from reliable suppliers, requesting their declarations and supplying proper documents such as Certificate of Origin of Mines and Countries, export license and other relevant proofs for traceability.

OTIC is committed to ensure all operation activities and

supplied products meet the requirements of OECD Due Diligence Guidance for Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and are amenable to field auditing for transparency of tantalum supply chain by any third party authorized by GeSI/EICC so as to consistently maintain good vision of OTIC in global Ta & Nb industry.

Our working scope is not limited to the items as mentioned above, and also includes principles and specific measures as follows:

1. OTIC adheres strictly to relevant laws and pays high attention to respect of human rights, moreover striving for maintaining social stability and regional prosperity, making due contribution for peaceful, lawful and sustainable utilization of world resources;

2. OTIC is committed to never purchase conflict minerals actually or possibly originated from Conflict-Affected and High-Risk Areas so as to avoid any " conflict mineral" flowing into OTIC's supply chain;

3. OTIC has established a control system for sourcing conflict-free and traceable raw materials, which ensures OTIC purchase and make use of only conflict-free and traceable raw materials.

4. OTIC consistently act in accordance with conventions of international transport of goods, and has established strict control system and testing method for transport of tantalum and niobium raw materials .

5. OTIC always attaches great importance to communication and cooperation with our customers, actively widens purchase channels and buys tantalum scrap from tantalum capacitor manufacturers or other Ta users to recycle " Green" tantalum raw materials.

6. OTIC carry out wide mass communication policy and training employees system to spread out OECD Due Diligence Guidance for Supply Chains of Minerals from Conflict-Affected and High-Risk Areas to OTIC's suppliers, users and public by means of network, magazine, internal newspaper, office automation (OA) system, show board and concentrated training of OTIC's all employees and high officers during performing due diligence on suppliers of all raw material and attending the meetings held by OECD/EICC.

OTIC's purchase policy and code of conduct were posted on the website of OTIC, moreover OTIC is pleased to be lawfully audited by any customer or international organization at any time.



OTIC website: <http://www.otic.com.cn/>

Ningxia Orient Tantalum Industry Co. Ltd.(OTIC)

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