

1. Company Information

Exotech, Inc. was established in 1990. The company has one facility located at 1851 Blount Road, Pompano Beach, FL 33069. This facility processes tantalum scrap products and intermediary material from Responsible Minerals Assurance Process (RMAP) conformant smelters or refiners. Exotech, Inc. does not source ore, or concentrate material. In 2008, Exotech, Inc. first established a Responsible Sourcing Policy, and now adheres to the revised version of the Responsible Minerals Initiative/Responsible Minerals Assurance Process (RMI-RMAP) Tantalum Standard. The company RMI ID number is CID000456.

This report covers our activities from May 1st, 2019 to October 31st, 2020.

2. RMAP Assessment Summary

Exotech, Inc. underwent a RMAP assessment in December 2020 for the Tantalum Standard under the Responsible Minerals Initiative Responsible Minerals Assurance Process. The assessment period was from May 1st, 2019 to October 31st, 2020 and was conducted by SCS Global Services.

3. Company Supply Chain Policy

To state our commitment to avoid the use of conflict minerals, Exotech, Inc. developed a *Responsible Sourcing Policy*. The *Responsible Sourcing Policy* is aligned with the third edition of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance). It covers all the risks identified in Annex II of the OECD Guidance. The policy was reviewed and approved by senior management, who is committed to support its implementation. The policy is available on Exotech, Inc.'s website at: <https://www.exotech.com/about>

4. Company Management Systems

Management Structure

The company follows through on its commitments in the supply chain policy and has developed an internal procedure for due diligence with the following aspects:

- The company's President is responsible to oversee the due diligence program and risk management design and implementation.
- The company has assigned a RMI Compliance Officer to coordinate the work of the relevant departments (including the Purchasing Department, Quality Department, and Production Department) to ensure each department fulfills their roles and responsibilities to implement the due diligence program and report any red flags and potential risks identified.
- The company conducts due diligence management system training once a year for key staff from all relevant departments required in the due diligence program. The last training was conducted on July 22nd, 2020.
- The RMI Compliance Officer reviews the results of the annual RMAP assessment to identify areas of our program that can be improved. The RMI Compliance Officer will also adjust the program if weaknesses or opportunities to improve the program are identified at any time. Together, they will make necessary changes to the program and train relevant personnel on those changes.

Internal Systems of Control

The company has continued to maintain its due diligence management system in alignment with the OECD Guidance and the RMAP by completing the following activities:

- Continuing to implement the Know Your Counterparty (KYC) process.
- Communicating the Supply Chain Policy (referred to as the *Responsible Sourcing Policy*) and sourcing requirements to all identified upstream suppliers.
- Incorporating due diligence requirements into binding agreements with suppliers using Exotech, Inc.'s Purchase Orders.
- Referring interested parties to [RMI's Grievance Mechanism](https://www.exotech.com/about) in the *Responsible Sourcing Policy* (link found on Exotech's website: <https://www.exotech.com/about>) to collect information on grievances from interested parties coupled with a process to respond to and resolve any issues brought forth through a grievance mechanism or other means.

Record Keeping System

Exotech, Inc. requires that all records relating to the due diligence program are maintained and properly stored for at least five years.

5. Risk Identification

Exotech, Inc. has established a process to identify risks in their supply chain. This process includes a procedure to identify conflict-affected and high-risk areas (CAHRAs), as well as a procedure to collect supplier information referred to as Know Your Counterparty (KYC).

The company established a procedure to identify CAHRAs using: 1) the [Heidelberg Conflict Barometer](#) to assess the presence of armed conflict and widespread violence, 2) [Fragile States Index's Human Rights and Rule of Law Indicator](#) to assess other risks of harm to people and rule of law, 3) the [US Dodd-Frank Act](#) to identify high risk areas in the Democratic Republic of the Congo and transit risks in the nine surrounding countries, 4) the [Worldwide Governance Control of Corruption](#) indicator to assess governance with a focus on corruption, and 5) the [EU CARHAs List](#). The criteria and thresholds for the above listed resources was a ranking of 3 or higher (recently revised to 4 or higher) on the Heidelberg Conflict Barometer, a score of 8 or higher (recently revised to 7 or higher) on the Fragile States Index's Human Rights and Rule of Law Indicator, and a score below the 80th percentile for the Worldwide Governance Control of Corruption indicator.

In addition, the company designed a Know Your Counterparty (KYC) Questionnaire form to include information concerning supplier's identity and legal status to help identify potential risks. The KYC forms were sent to all suppliers that supply Tantalum, and all suppliers were approved in accordance with our KYC Procedure. The company's RMI Compliance Officer reviewed the provided information and performed the necessary UN and OFAC Sanctions checks.

It was determined after completing the supply chain risk/red flag analysis that there were supplier, origin and transit red flags identified in Exotech's supply chain. However, the suppliers that were located in, sourcing from or transiting through a CAHRA are RMAP conformant smelters or refiners, thus posing a low-risk of harm and further enhanced due diligence was not required. A supply chain map was created to further document the transit routes for the high risk sources.

The possible risks to be aware of according to the OECD Guidance Annex II Model Supply Chain Policy are as follows:

- Serious abuses associated with the extraction, transport, or trade of minerals:

- Any forms of torture, cruel, inhumane, and degrading treatment
- Any forms of forced or compulsory labor
- The worst forms of child labor
- Other gross human rights violations and abuses such as widespread sexual violence
- War crimes or other serious violations of international humanitarian law, crimes against humanity or genocide
- Direct or indirect support to non-state armed groups
- Direct or indirect support to public or private security forces
- Bribery and fraudulent misrepresentation of the origin of minerals
 - Money laundering
 - Non-payment of taxes, fees, and royalties to governments.

When risks are identified in the supply chain, it is the responsibility of the RMI Compliance Officer to identify appropriate risk mitigation measures by doing the following:

- Report findings to senior management, outlining the information gathered and the actual and potential risks identified in the supply chain risk assessment.
- Devise and implement a risk management plan and adopting a risk management strategy as defined in the OECD Guidance Annex II Model Supply Chain Policy. Risk mitigation strategies include:
 - Continuing trade throughout the course of measurable risk management efforts.
 - Temporarily suspending trade while pursuing ongoing mitigation efforts.
 - Disengaging with a supplier in cases where mitigation appears not feasible or unacceptable.