

Conflict Minerals Background

- ▶ Conflict minerals provision (section 1502) was added to massive financial reform law: Dodd-Frank Wall Street Reform and Consumer Protection Act. Enacted July 2010, and finalized on Aug. 22, 2012.
- ▶ Section 1502 will require disclosure by companies if “conflict minerals” (or metals derived from them) are necessary to the functionality or production of the product manufactured.
- ▶ Netpower is conducting an inquiry into our suppliers source of minerals that is consistent with conflict-free.
- ▶ We are asking Suppliers to provide conflict-free statement and offer additional information using the Conflict Mineral Survey template

Conflict Minerals Background *continued...*

- ▶ The “Conflict Minerals 3T’s & G” are



Cassiterite (Tin ore), (Sn)



**Columbite-tantalite or coltan
(Tantalum ore), (Ta)**



Wolframite (Tungsten ore), (W)



Gold, (Au)

Conflict Minerals Background *continued...*

- ▶ The “Covered Countries” are: Democratic Republic of Congo and adjoining countries.



Netpower's Statement on Conflict Minerals

Netpower Conflict Minerals Policy

"Conflict Minerals" refers to specific minerals mined in the eastern provinces of the Democratic Republic of the Congo (DRC) and in the adjoining countries where the revenues from these minerals may be directly or indirectly financing armed groups engaged in civil war resulting in serious social and environmental abuses. In July 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") was signed into law in the U.S. As adopted, the Dodd-Frank Act required the U.S. Securities and Exchange Commission (the "SEC") to promulgate regulations requiring publicly traded companies to disclose their use of Conflict Minerals and its origins, and if from covered regions, disclose whether or not the minerals are 'conflict-free'. The specific minerals addressed by the Dodd-Frank Act are Cassiterite, Columbite- Tantalite, Wolframite, gold and derivatives of these minerals. In August 2012, the SEC adopted the necessary regulations, which, among other things, require publicly traded companies to conduct due diligence on their supply chain and to disclose information regarding Conflict Mineral usage, if any.

Netpower fully supports the intent of this legislation to eliminate the social and environmental harm brought about by the use of Conflict Minerals and any funding that supports armed groups in the DRC region. Netpower fully intends to comply with its reporting obligations as set forth by the SEC.

As a result, Netpower expects the following from its direct material suppliers:

- ▶ to source minerals from non-conflict regions or, if sourced from conflict regions to identify whether the sourcing is conflict-free (i.e. not used to fund conflicts in Covered Countries) through a reasonable due diligence (DD) program;
- ▶ to disclose to Netpower via Conflict Mineral Survey template the requested information necessary for Netpower to accurately report
- ▶ to pass these requirements down to lower levels in their supply chain using reasonable efforts to determine the source of the specified minerals, if they do not source directly from smelters.

Where Netpower finds that a direct material supplier has not complied with these expectations, the direct material supplier will be required to promptly take all steps necessary to correct the non-compliance, including, without limitation, the development, submission and implementation of their corrective action plan.

Compliance with this Policy will be a requirement for all direct material supplier contracts.