

PURPOSE

To establish and maintain a procedure to disclose the extent to which the products Northern Micro assembles contain so called conflict minerals sourced from mines in the Democratic Republic of the Congo (DRC) or adjoining countries. As part of Northern Micro's commitment to corporate responsibility and respecting human rights in our own operations and in our global supply chain, it is our goal to use tantalum, tin, tungsten and gold in our products that do not directly or indirectly finance or benefit armed groups in the DRC or adjoining countries while continuing to support responsible mineral sourcing in the region.

SCOPE

This procedure applies to data gathered at Northern Micro in Purchasing, Production, Sales, Product Management, Service and Marketing.

APPLICABLE DOCUMENTS

ISO 9001:2015 Quality System-Requirements
Quality Manual
Control of Records Procedure
Conflict Minerals Procedure

RESPONSIBILITIES

It is the responsibility of management, in the areas affected, to provide reports on a scheduled basis based on the information gathered in NM's ERP System.

GENERAL

Northern Micro expects our suppliers to have in place policies and due diligence measures that will enable us to reasonably assure that products and components supplied to us containing conflict minerals are DRC conflict free³. Northern Micro expects our suppliers to comply with the Electronic Industry Citizenship Coalition (EICC) Code of Conduct and conduct their business in alignment with Northern Micro's supply chain responsibility expectations

This policy is available on the Northern Micro website.

PROCEDURE

- Exercise due diligence with relevant suppliers and encourage our suppliers to do likewise with their suppliers.
- Expect our suppliers to cooperate in providing, due diligence information to confirm the tantalum, tin, tungsten, and gold in our supply-chain are “conflict free”.
- Collaborate with our suppliers and others on industry-wide solutions to enable products that are DRC conflict free.
- Commit to transparency in the implementation of this policy by making available reports on our progress to relevant stakeholders and the public.
- Provide relevant public disclosure from manufacturers used in assembly of Northern Micro EPEAT certified PC’s.

Reasonable Country of Origin Inquiry

Northern Micro obtained and reviewed information provided by the organizations that manufacture products from raw materials which are used in assembly of the Northern Micro Spirit product line. The materials were reviewed to determine if any conflict minerals sourced from mines in the Democratic Republic of the Congo (DRC) or adjoining countries were used in these products. This information is communicated to our suppliers by our Product Management department who does all product selection. If there is an issue identified with a supplier not responding to the RCOI request or if a manufacturer does source from conflict zones, Northern Micro would implement their corrective action procedure to address the concern.

Risk Assessment

Risk Assessment is completed and per our Risk Assessment procedure and any risks identified are documented in the Northern Micro Risk Assessment list along with any plans to mitigate significant risks regarding conflict minerals.

OECD Due Diligence

Northern Micro adopts the OECD guidance entitled, “OECD Due Diligence Guidance for Responsible Supply Chains for Minerals from Conflict-Affected and High-Risk Areas”.

The requirement recognizes Northern Micro’s position in the overall supply chain where we assemble technology products and services to end-users. Northern Micro only uses industry standard product where we have no input on how or where raw components are sourced. Northern Micro is an assembler performing assembling and testing of retail products into a Spirit system. Based on this to the best of our efforts Northern Micro will complete due diligence and review all conflict minerals based on industry wide schemes. Northern Micro will also review supplier responses regarding the possibility of any conflict materials being in the supply chain and address any issues found through our Corrective action procedure. Since we have no way of knowing what each component is made from, Northern Micro is at the mercy of the manufacturers or assemblers of the components to search out the origin of minerals and smelters that are several supply chain levels preceding them. Once the component assemblers provide us with the origin of minerals and smelters we reflect on the information and seek ways to replace the component, replace the supplier or replace the component assembler with a more responsible choice. We will continue to work with our manufacturers and industry partners to encourage conflict-free sourcing, regardless of whether the minerals originate in the DRC (Angola, Burundi, Central African Republic, Republic of Congo, Rwanda, South Sudan, Zimbabwe, Uganda, and Zambia) or elsewhere.

Summary of smelters from Northern Micro manufacturing partners:

	Conflict Mineral	Total	#		NA	Compliance
			Compliant	Active		%
Asus	Gold	145	144		1	99%
Asus	Tantalum	42	42			100%
Asus	Tin	79	79			100%
Asus	Tungsten	46	46			100%
Chenbro	Gold	88	88			100%
Chenbro	Tantalum	36	36			100%
Chenbro	Tin	37	37			100%
Chenbro	Tungsten	36	36			100%
Intel	Gold	122	122			100%
Intel	Tantalum	40	40			100%
Intel	Tin	71	71			100%
Intel	Tungsten	32	32			100%
Micron	Gold	122	121			99%
Micron	Tantalum	4	0		4	0%
Micron	Tin	4	0		4	0%
Micron	Tungsten	na	na			na
Microsoft	Gold	141	141			100%
Microsoft	Tantalum	41	41			100%
Microsoft	Tin	79	79			100%

Microsoft	Tungsten	46	46	100%
Sparkle	Gold	24	24	100%
Sparkle	Tantalum	4	4	100%
Sparkle	Tin	28	28	100%
Sparkle	Tungsten	8	8	100%

Northern Micro will continue to monitor the manufacturer's reports and will consider switching to a different manufacturer provided they have product which would meet our requirements. Northern Micro will also conduct more engagement with our suppliers who have non-compliant SOR. Northern Micro will work closely with our primary joint venture outsourcing manufacturer and their suppliers and smelters as part of our continual improvement efforts.