



cutting through complexity

Dodd-Frank Act Conflict Minerals (Section 1502)

Overview – Advisory

May 2013

Contact: us-cssconflictmin@kpmg.com



Law's requirements, industry approach

Proposed solution: Methodology & approach

Overview of KPMG's conflict minerals practice

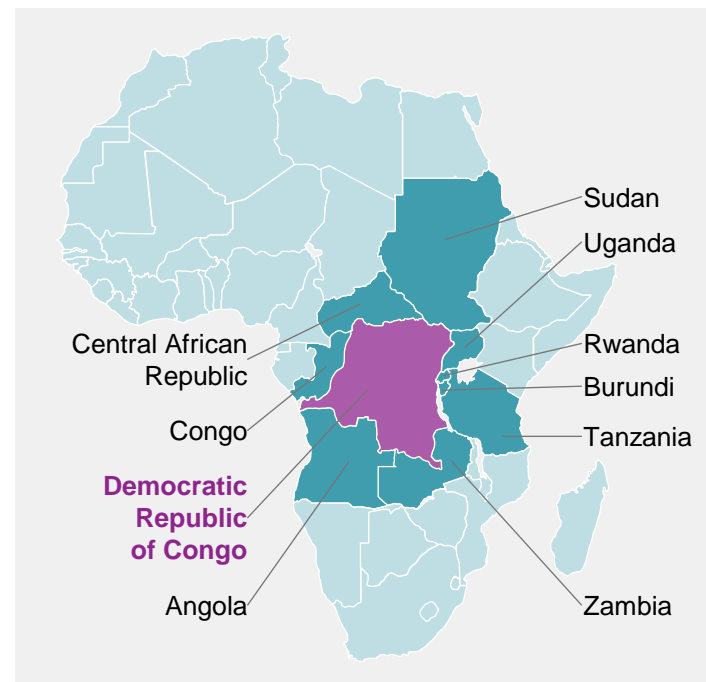
Appendices

1. KPMG Conflict Minerals Tracking Tool
2. Additional KPMG resources
3. Analysis of company activity (policies, disclosure, preparedness)

Dodd-Frank Act – Conflict minerals (section 1502)

- The Dodd-Frank Act includes **reporting requirements** for SEC registrants **about the source of conflict minerals**.
- Companies must **make a reasonable determination** whether products involve specified materials from the region.
- The Act's **intent is to reduce violence in the region** funded through exploitation of mining and trade activities.

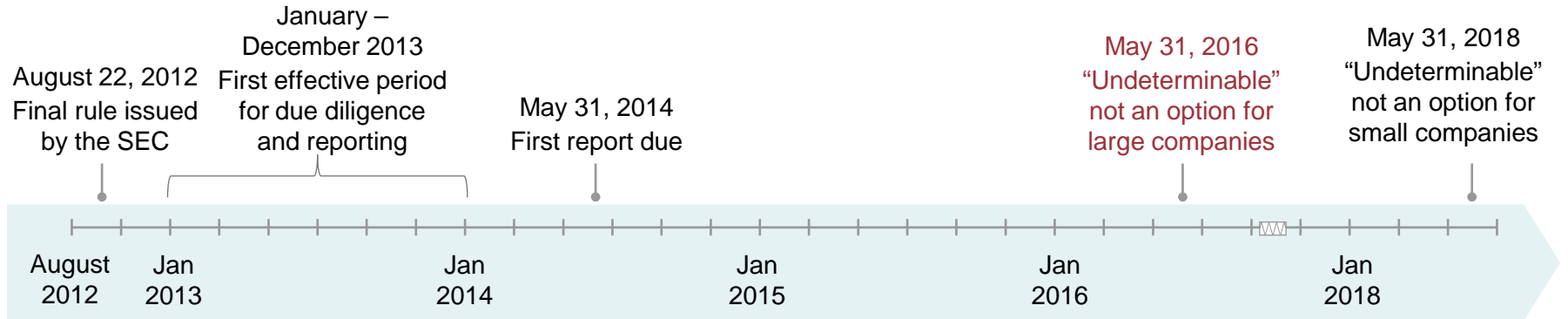
Metal	Industries using the metal	Common applications
Tin Cassiterite	<ul style="list-style-type: none"> ■ Electronics ■ Automotive ■ Industrial equipment ■ Construction 	<ul style="list-style-type: none"> ■ Solders for joining pipes and circuits ■ Tin plating of steel ■ Alloys (bronze, brass, pewter)
Tantalum Coltan (columbitetantalite)	<ul style="list-style-type: none"> ■ Electronics ■ Medical equipment ■ Industrial tools and equipment ■ Aerospace 	<ul style="list-style-type: none"> ■ Capacitors (in most electronics), ■ Carbide tools ■ Jet engine components
Tungsten Wolframite	<ul style="list-style-type: none"> ■ Electronics ■ Lighting ■ Industrial machinery 	<ul style="list-style-type: none"> ■ Metal wires, electrodes, electrical contacts ■ Heating, and welding applications
Gold	<ul style="list-style-type: none"> ■ Jewelry ■ Electronics ■ Aerospace 	<ul style="list-style-type: none"> ■ Jewelry ■ Electric plating and IC wiring



Note: **Bold** indicates 'conflict mineral'

Source: (1) SEC Release No. 34-63547; File No. S7-40-10; (2) U.S. Geological Survey (<http://minerals.usgs.gov/minerals>); (3) USGS Minerals Handbook 2008 – Gold (<http://minerals.usgs.gov/minerals/pubs/commodity/gold>); (4) USGS Minerals Handbook 2008 – Tin (<http://minerals.usgs.gov/minerals/pubs/commodity/tin/myb1-2008-tin.pdf>); (5) USGS Minerals Handbook 2008 – Tantalum (<http://minerals.usgs.gov/minerals/pubs/commodity/niobium/mcs-2010-tanta.pdf>) (6) USGS Minerals Handbook 2008 – Tungsten (<http://minerals.usgs.gov/minerals/pubs/commodity/tungsten/myb1-2008-tungs.pdf>).

Ideally, where do you want to be two years from now?



	First two years (or four for smaller companies)	Beyond two years (or four years for smaller companies)
Possible conclusions from due diligence	<ul style="list-style-type: none"> ■ Conflict Minerals Free ■ Not been found to be “DRC conflict free” ■ Undeterminable 	<ul style="list-style-type: none"> ■ Conflict Minerals Free ■ Not been found to be “DRC conflict free” (even if undeterminable)
Audit trigger for “Undeterminable”	<ul style="list-style-type: none"> ■ Independent private sector audit not required for Undeterminable issuers 	<ul style="list-style-type: none"> ■ Independent private sector audit required for all issuers

Not a desirable outcome from PR/customer point of view

Source: Securities and Exchange Commission, 17 CFR Parts 240 and 249b, Release No. 34-67716; File No. S7-40-10.

Interpretation of ambiguous terms – As stated in final law

Rule applies to SEC reporting companies where conflict minerals are **necessary to the functionality or production of a product** manufactured by the company or contracted to be manufactured

Meaning of “Manufactured”

- Not defined by rules – SEC deems term to be “generally understood”

Meaning of “Contracted to be manufactured”

- Depends on the degree of influence a company exercises over the materials, parts, ingredients, or components to be included in any product that contains conflict minerals

Are 3TGs “necessary to functionality or production?”

- “Necessary to Functionality”
 - Intentionally added
 - Necessary to the product’s generally expected function, use or purpose
 - The primary purpose 3TGs are added is for ornamentation, (e.g., jewelry)
- “Necessary to Production”
 - Intentionally added during the production process
 - Included in the product
 - Necessary to produce the product

Further Clarification

- An issuer is considered to be a manufacturer if assembles a product out of materials, substances, or components that are not in raw material form.
- Company that only services, maintains, or repairs a product containing conflict minerals is not considered to be “manufacturing” that product

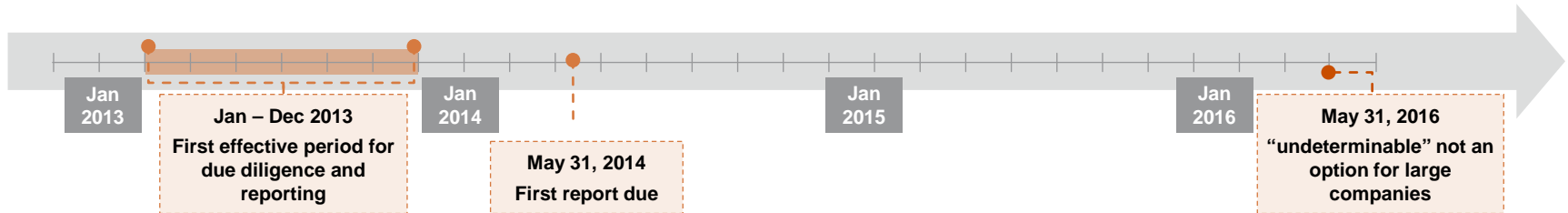
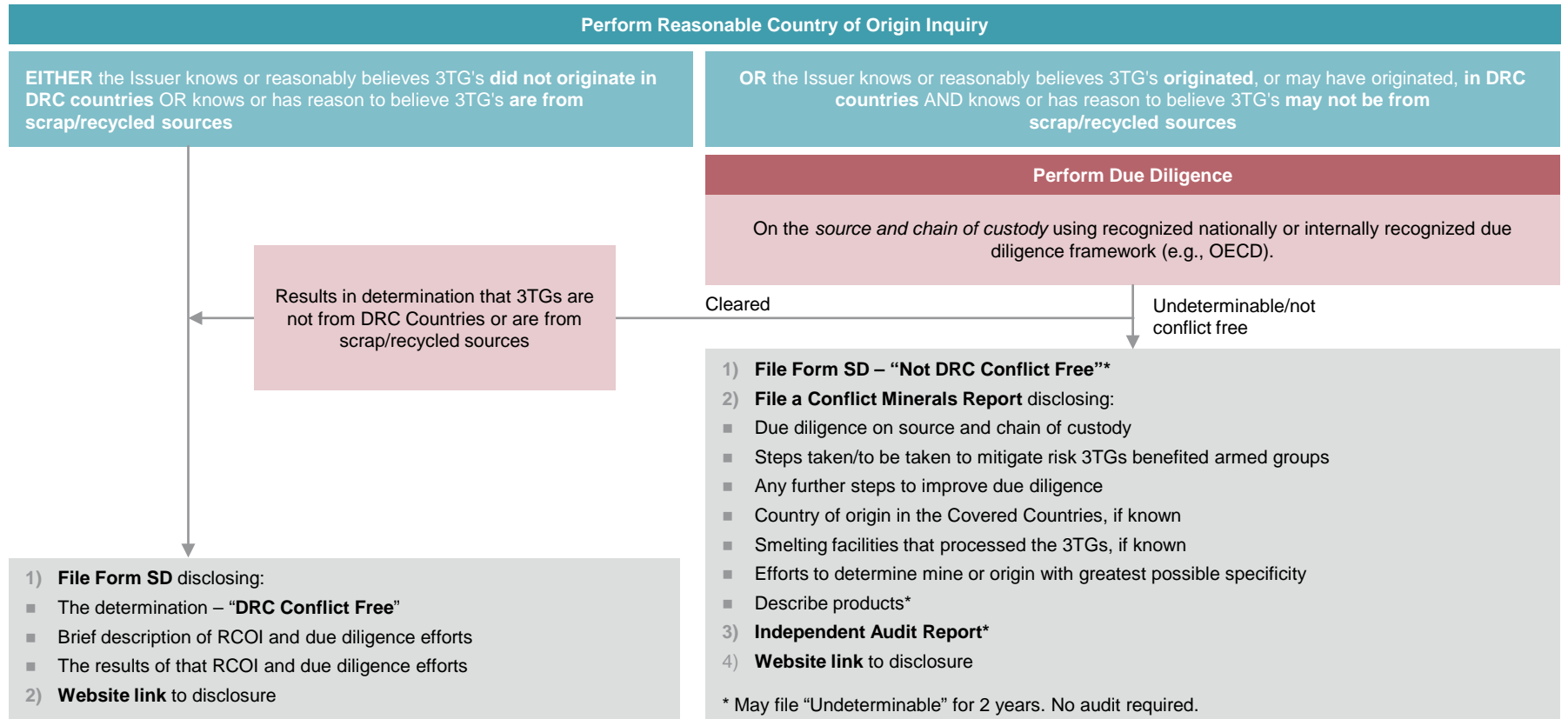
Further Clarification

- An issuer will not be considered “contracted to be manufactured” if:
- Specifies or negotiates contractual terms not directly related to product manufacturing
 - Affixes its brand, logo, or label to a generic product manufactured by a third party
 - Services, maintains, or repairs a product manufactured by a third party.

Further Clarification

- Depends on the issuer’s particular facts and circumstances. Any of these factors, either individually or in the aggregate, may be determinative as to whether 3TGs are “necessary to the functionality” of a given product
- 3TG’s must be present in the final product

Decision tree process that determines SEC filing



Key considerations

Program strategy

- Who is signing form SD?
- Who are our stakeholders?
- What conclusion are we targeting?
 - In the first 2 years
 - Year 3 (CY 2015) onwards
- What is the downside of concluding “not been found to be DRC conflict free” by 2015?
- What follow up action will be taken against suppliers that did not provide satisfactory responses?
 - Ignored request or refused to answer
 - Responded “don’t know” to all smelter questions
 - Provided obviously incorrect information

Contract to Manufacture

- What is our criteria to determine “Contract to Manufacture”
- Which questionnaire are we using for our survey – EICC-GeSi or customized?

Planning for Form SD, Report

- What goes into form SD reporting?
- How do we demonstrate “reasonable” due diligence to the NGOs and investors

Controls, internal audit

- What are all the controls that need to be implemented?
- What is the role of internal audit to prepare for the external audit?
- What is the frequency and timing of the internal audit?

Audit

- How do we demonstrate
 - Compliance to the OECD guidelines?
 - That a process was followed?
- Who is going to be our auditor and when should we start engagement?

Institutionalizing, achieving “DRC conflict free”

- What about smelters that are not in the CFS certified list?
- What metrics should be included in our progress tracking and report?
- How do we know we are making progress year over year?
- How do we institutionalize this process for future years?

Status of Legislation – Beyond Dodd-Frank, various governments are looking to adopt legislation around conflict minerals and supply chain transparency

Region	Summary	Status
European Union	<ul style="list-style-type: none"> ■ EU Commission launched a public consultation regarding the development of conflict minerals regulations. The consultation is open until 26 June 2013. ■ European Parliament calling on European Commission to consider a proposal on conflict minerals reporting; initiative may be broader than 3TG from Central Africa. 	<ul style="list-style-type: none"> ■ Expected Draft End of 2013
Canada	<ul style="list-style-type: none"> ■ Member of Parliament (MP) Paul Dewar introduced bill C-486 which would require Canadian companies to exercise due diligence with respect to conflict minerals sourced from the Great Lakes Region of Africa; it aims to have corporations and subsidiaries operating in Canada report annually to the government about their supply chains. 	<ul style="list-style-type: none"> ■ Pending; March 26, 2013
California	<ul style="list-style-type: none"> ■ The State of California passed a bill that prohibits the state government of California from contracting with companies that fail to comply with federal regulations (Section 1502 of the Dodd-Frank Act). 	<ul style="list-style-type: none"> ■ Passed; October 9, 2011
	<ul style="list-style-type: none"> ■ The State of California passed a bill that requires retail sellers and manufacturers doing business in California to disclose their efforts to eradicate slavery and human trafficking from their direct supply chains for tangible goods offered for sale. 	<ul style="list-style-type: none"> ■ Passed; effective January 1, 2012
Maryland	<ul style="list-style-type: none"> ■ Prohibits a unit of State (of Maryland) government from procuring supplies or for services from persons that fail to comply with Section 1502 of Dodd-Frank 	<ul style="list-style-type: none"> ■ Passed; May 2, 2012
North American Cities	<ul style="list-style-type: none"> ■ The City of Pittsburgh calls on companies from all sectors in the City to factor whether electronic products contain conflict minerals in future purchasing decisions and, when available, will favor verifiably conflict-free products. 	<ul style="list-style-type: none"> ■ Passed; effective April, 2011
	<ul style="list-style-type: none"> ■ St. Petersburg, FL has passed a resolution changing its purchasing practices on electronics to favor products that are free of conflict minerals. 	<ul style="list-style-type: none"> ■ Passed: October 4, 2011
Australia	<ul style="list-style-type: none"> ■ The Australian government released due diligence guidelines for the responsible supply chain of minerals to mitigate the risk of providing direct or indirect support for conflict in the eastern part of the Democratic Republic of the Congo 	<ul style="list-style-type: none"> ■ Passed; effective in December 2010

Law's requirements, industry approach

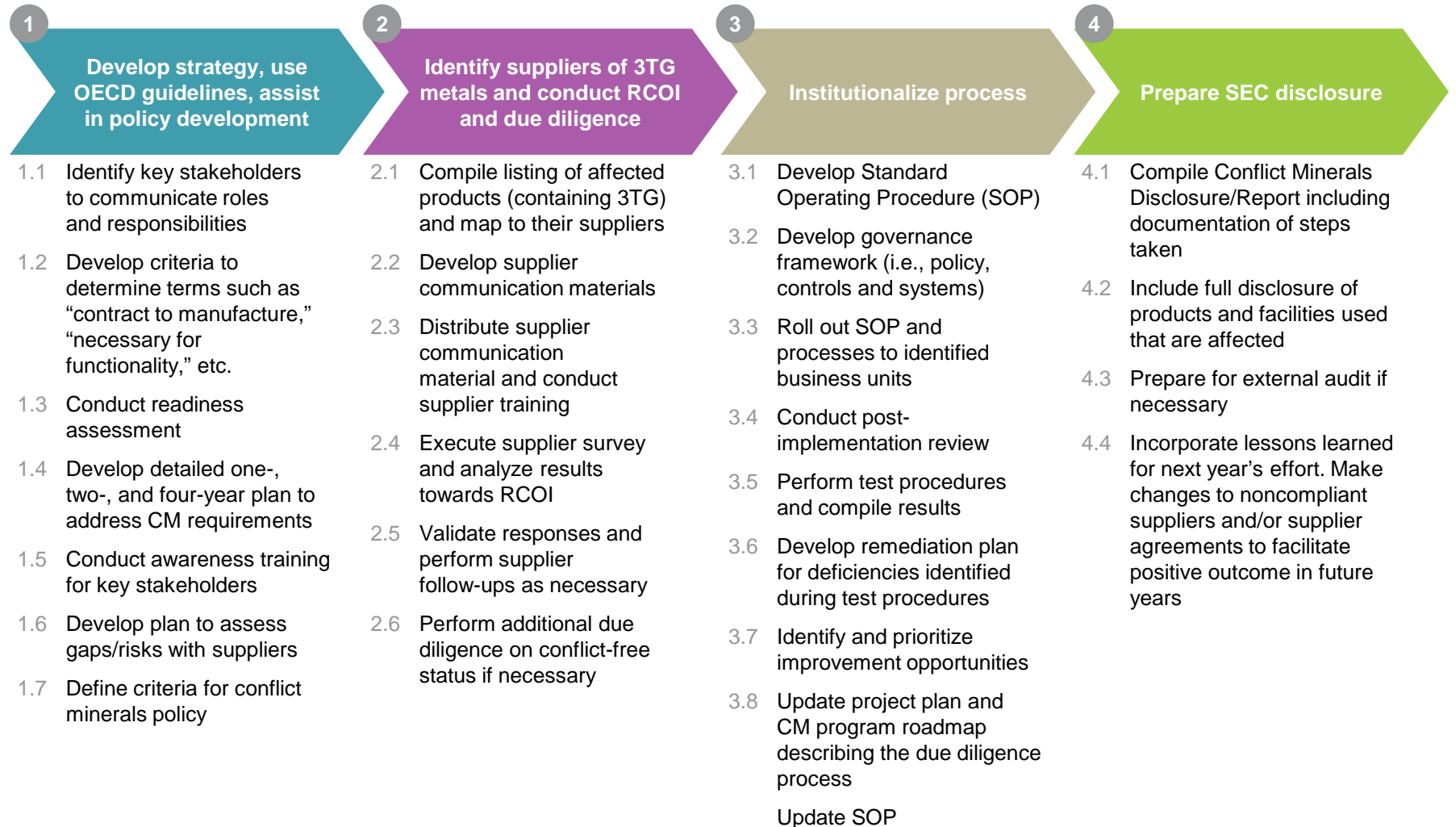
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Summary of KPMG's four phase approach



Getting the right functions involved is crucial to the success of the program (an illustration)



Function	1 Develop strategy, use OECD guidelines, assist in policy development	2 Identify suppliers of 3TG metals and conduct RCOI and due diligence	3 Institutionalize process	4 Prepare SEC disclosure
Merchandizing/ Sourcing	Develop an implementation plan	Identify suppliers for products containing 3TG; perform RCOI	Build risk assessment/mitigation processes for contracting and vendor selection	Provide inputs into report
Product Design/Engineering	Identify components and assemblies that contain 3TG; evaluate necessary to functionality and necessary to production; recycled or scrap	Validate responses of suppliers		Provide inputs into report
Legal	Interpret key terms in the regulation; assist in development of acceptable policies and review of contract language	Perform due diligence following internationally recognized framework (OECD Guidelines)	Develop and roll out SOPs and policies. Institute controls based on framework adopted (OECD Guidelines)	Complete and file Form SD and Conflict Minerals Report as required
Governance/ Compliance	Identify policies and procedures		Assist development of SOP and policies for internal compliance	Provide inputs into report
Finance/ Controller	Understand the impact of reporting requirements			Ensure report format is consistent with other SEC filings
Information Technology	Provide system support for information data collection and evaluate potential tools	Deploy systems/tools if necessary to assist in due diligence	Evaluate system requirements to automate process for future years	Place the report on Web site
Internal Audit	Plan audit with external auditors as required; evaluate process development for audit requirements	Verify whether the process conforms with due diligence framework and description is consistent with framework	Evaluate and test process controls	Evaluate external audit requirements

Illustrative timeline – Using 2013 to build the process

	Example Illustration Only					
	2012	2013				2014
	Q4	Q1	Q2	Q3	Q4	Q1
Phase #1 Develop strategy, use OECD guidelines, assist in policy development <ul style="list-style-type: none"> Identify key stakeholders Develop plan to address conflict minerals Conduct readiness assessment Develop and deliver internal training Develop conflict minerals policy 	Plan					
Phase #2 Identify suppliers of 3TG metals and conduct RCOI and due diligence <ul style="list-style-type: none"> Develop standard operating procedures Develop and deliver external training Execute supplier survey and analyze results for RCOI Validate responses and perform follow-up due diligence as necessary 		RCOI and Due Diligence Group 1				
			RCOI and Due Diligence Group 2			
				RCOI and Due Diligence Group 3		
					RCOI and Due Diligence Group 4	
Phase #3 Institutionalize process <ul style="list-style-type: none"> Roll out standard operating procedures Test procedures against OECD guidelines Compile control testing results Develop remediation plan 					Institutionalize	
Phase #4 Prepare SEC disclosure <ul style="list-style-type: none"> Compile conflict minerals disclosure/report Prepare for external audit if necessary 						Report

How KPMG can assist: Some options for first filing year effort

Options	KPMG role
KPMG assists with all four phases (strategy through SEC Filing) – Turn-key approach	Larger
KPMG assists with all four phases (strategy through SEC Filing) – Joint Client and KPMG team	Moderate
KPMG assists with strategy, development of RCOI and Due Diligence procedures, Standard supporting the PMO	Nominal

- The significant drivers of the cost of compliance will be:
 - Your conflict minerals compliance strategy and related implementation timeline
 - Level of involvement of your personnel
 - # of products and suppliers “in scope”
 - The availability and ease of access to conflict minerals related data
 - Ability to centralize the conflict minerals due diligence effort
 - Speed of decision making within the organization

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Why KPMG?

We lead the profession in thought leadership and education, and have been active in leading the development of conflict minerals approaches with key regulatory bodies and industry groups.

Market leader	<ul style="list-style-type: none">■ We have delivered more conflict minerals engagements than any other professional services firm to date■ KPMG has completed, or is in the process of providing, conflict minerals assistance to 19 major companies including semiconductor and technology companies■ Our approach continues to evolve and as we benefit from our experience in these engagements
Association with leading organizations	<ul style="list-style-type: none">■ Associations with industry groups:<ul style="list-style-type: none">– Automotive Industry Action Group's (AIAG)– Japanese Automotive Industry Group (JAIG)– Aerospace Industry Association's (AIA)– EICC-GeSi– National Retail Foundation (NRF)■ World Gold Council■ OECD■ United Nations■ Chairing the AICPA taskforce that will be developing Conflict Minerals audit standards and practice aids.
Successfully executed Conflict Minerals Services	<ul style="list-style-type: none">■ We can provide assistance with services beyond gap assessment such as:<ul style="list-style-type: none">– Strategy development– Program management– Supplier response analysis and remediation– Drafting Standard Operating Procedures (SOP)– Development of controls– Program assessment and monitoring– Drafting of SD disclosures and reporting

KPMG's experience with clients' conflict minerals compliance efforts

We are currently supporting over 20 conflict minerals engagements with well-known clients – in the U.S. and overseas

Our recent conflict minerals engagements		
Client	Scope	Overall Project Lead*
Global manufacturer of consumer health care products (approx \$65 billion in revenue)	<ul style="list-style-type: none"> ■ Development of a supply chain due diligence policy for conflict minerals ■ Development of process for due diligence in compliance with OECD guidelines ■ Compliance Reporting: Prepare the requisite disclosures based on exposure to conflict minerals 	Primary: Procurement/IR/Legal Secondary: Corporate Social Responsibility
Japanese Consumer Electronics manufacturer (approx \$100 billion in revenue)	<ul style="list-style-type: none"> ■ Simultaneous Pilot runs for three independent business units to understand the usage of 3TG metals in the supplier network and risk diagnostic using OECD criteria ■ Used the EICC-GeSi questionnaire to survey global suppliers ■ Assisting with the implementation and rollout to the rest of the company 	Primary: Corporate Social Responsibility Secondary: Procurement/IR/Legal
Diversified Industrial (\$60+ billion in revenue)	<ul style="list-style-type: none"> ■ Development of a due diligence strategy for conflict minerals ■ Development of process for due diligence ■ Creation of an auditable process 	Primary: Procurement Secondary: Engineering/Legal/Finance
Semiconductor manufacturer – Telecom (\$10+ billion in revenue)	<ul style="list-style-type: none"> ■ Helped the company develop baseline due diligence requirement in the form of common policy guidelines to be followed by business units ■ Shared industry leading practices in the due diligence and helped with documentation of findings 	Primary: Supplier Quality Secondary: Legal
International Retailer (\$100+ billion in revenue)	<ul style="list-style-type: none"> ■ Assisting with development of strategy, policy, and framework to achieve compliance ■ Developing an Auditable “Standard Operation Procedure” ■ Plans to assisting in evaluating supplier response and follow-up actions ■ Plans to assist with regular internal audits to track overall progress 	Primary: Compliance Secondary: Controller
Aerospace manufacturer (\$50+ billion in revenue)	<ul style="list-style-type: none"> ■ Assisting with supplier training and workshops to train suppliers on the due diligence requirements under Section 1502 	Primary: Procurement Secondary: Supply Chain

Note: *It is expected that ownership of the process will change during different phases of the project

Our differentiators

Technical Expertise

- KPMG is involved in key Conflict Minerals regulatory and industry groups
- KPMG is a leader in Conflict Minerals Thought Leadership, including chairing the AICPA committee for audit guidelines and practice aids
- KPMG's Conflict Minerals Executive Team

Expertise from Experience

- KPMG has completed or is currently performing 20 Conflict Minerals Engagements:
 - On a Global Scale
 - For both Public and Private Companies

Established Methodologies & Approaches

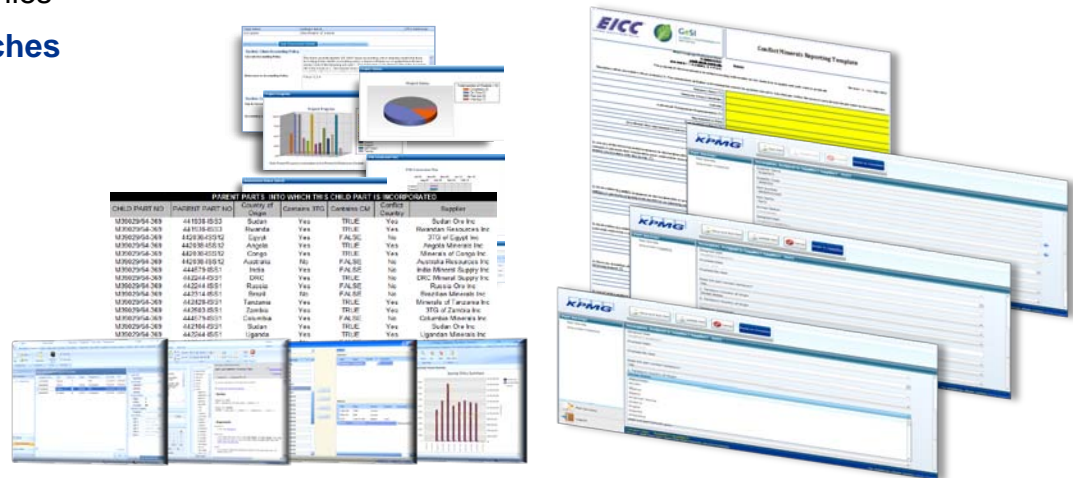
- These are not “test” projects

Our repository includes:

- Client Materials (20 Active/Closed Projects)
- Thought Leadership
- KPMG's OECD Gap Analysis Tool
- Training Materials (Client and Supplier)
- Templates (i.e., Supplier Survey, SOPs etc.)

KPMG's Tools

- KPMG Conflict Minerals Tool
- KPMG can leverage proprietary and third-party tools as needed



KPMG's place in the market vs. other Big Four

KPMG is the leader among the Big 4 in thought leadership media placements with 24 media placements and 12 pieces of thought leadership.

Media Tracker - KPMG vs. Other Big 4, as of March, 2013			
Firm	Media Placements	Thought Leadership	Total
KPMG	24	12	36
E&Y	5	9	14
PwC	2	10	12
Deloitte	6	7	13

Media placements include:

- [Wall Street Journal](#)
- [Directors&Boards](#)
- [Financial Executive](#)
- [Poole College of Management](#)

KPMG Conflict Minerals Thought Leadership

- *KPMG's Point of View Series* – [Conflict Minerals and Beyond – Part two: A More Transparent Supply Chain](#)
- *KPMG's Point of View Series* – [Conflict Minerals and Beyond – Part one: Developing a global compliance strategy](#)
- *The Public Policy Alert: Implications of the Conflict Minerals Rule-Lessons Learned*
- [Conflict minerals...does compliance really matter? Ask California, Australia, and the EU: Recent Legislation Affecting Supply Chains—A Comparison](#)
- *Defining Issues* – [SEC Issues Final Rule for Disclosures about Conflict Minerals](#)
- *Dodd-Frank Quick Hits* – *Conflict Minerals Newsletter* – Monthly newsletter covering CM activity. [Click here](#) to subscribe.
- *Conflict minerals website* (www.kpmg.com/conflictminerals) – This website hosts all of our thought leadership, monthly newsletters and Alerts

In conclusion – KPMG’s Differentiators



KPMG has been successfully supporting clients in this area for the past two years and can bring you valuable input on “what works” as companies seek to develop compliant solutions.



Through our engagement with other Clients and interaction with Industry groups, we understand the unique challenges and opportunities this law presents to various industries and client situations.



KPMG has developed a full suite of materials, tools and methods to assist our clients with preparing their Conflict Minerals filings and reports including.



We have been active in leading the development of conflict minerals solutions with key regulatory bodies and industry groups including EICC-GeSI, United Nations, World Gold Council, OECD, Aerospace Industry Association, Automotive Industry Action Group and others.



We lead the profession in thought leadership, online training and education.

Our goal is to assist you in achieving your goals *in the most economical manner.*

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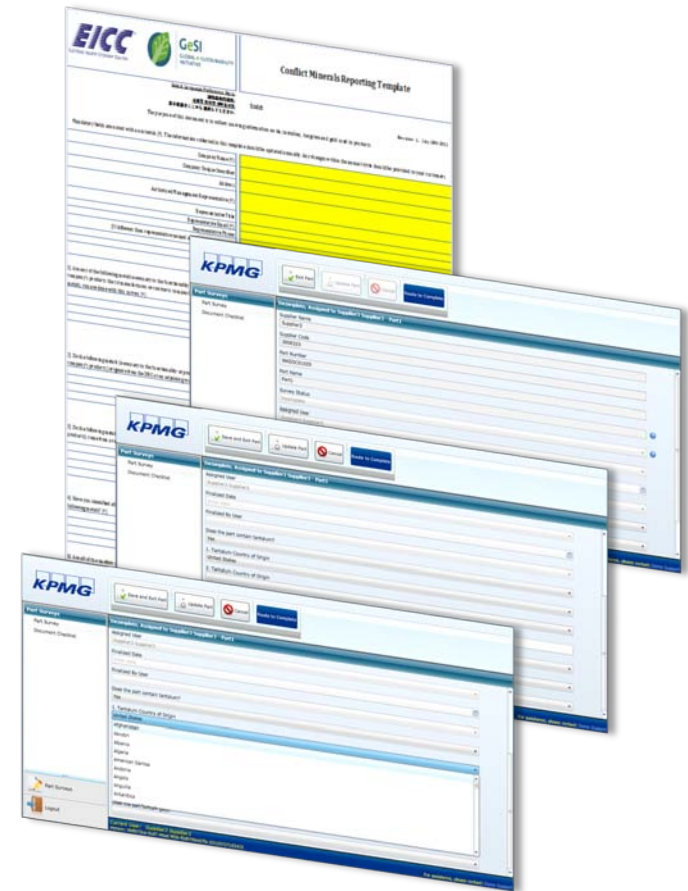
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Appendix: Overview of KPMG Conflict Minerals Reporting Tool

The KPMG Conflict Minerals Reporting Tool can be used to complete the key data collection and analysis activities in your conflict minerals compliance program.

- KPMG's Conflict Minerals Reporting Tool is designed to facilitate collection of data in a structured way that meets the requirements of the SEC, as well as the standard EICC-GeSI template (v2).
- This tool is a dynamically configurable cloud-based, web-enabled platform that is designed to collect, track, and report on the status of conflict minerals in your supply chain.
- The tool is based on flexible business rules that can be separately configured and modeled to meet client requirements.
- The tool maintains a complete separation of this business logic and application code.



Benefits of KPMG Conflict Minerals Reporting Tool

The KPMG Reporting Tool application is designed to allow flexibility and customization for client needs.

- User defined workflow: Customizable approval and/or routing workflow and special review for complex parts
- Performance Metrics: Progress tracking for productivity metrics
- Role Based Access: Each individual user assigned to a specified defined role to facilitate automated workflow and controls with profiles are created so that users have certain permissions and restrictions in the system according to that role's definition
- Workflow Configuration based on User Roles: For example, suppliers can be restricted to which fields that can change and/or view based on their profile
- Auditability: The security and access controls facilitate the ability to generate auditable information on a per field level allowing for a more efficient and effective audit effort
- Customized views based on required tasks within the system: A work queue shows individual users the parts that they are responsible for completing and the status of those parts in their workflow. The work queue helps facilitate "real time" parallel data capture and status reporting. The work queue allows the user to see their assigned responsibilities and progress for each part
- Customizable reporting features: Standard reports are available, but customized reports can be generated based on the user's needs and preferences.

Appendix: Reporting Features

The Conflict Minerals Reporting Tool allows clients to report and monitor information from a network of suppliers. Below are some of the reporting features within the tool.

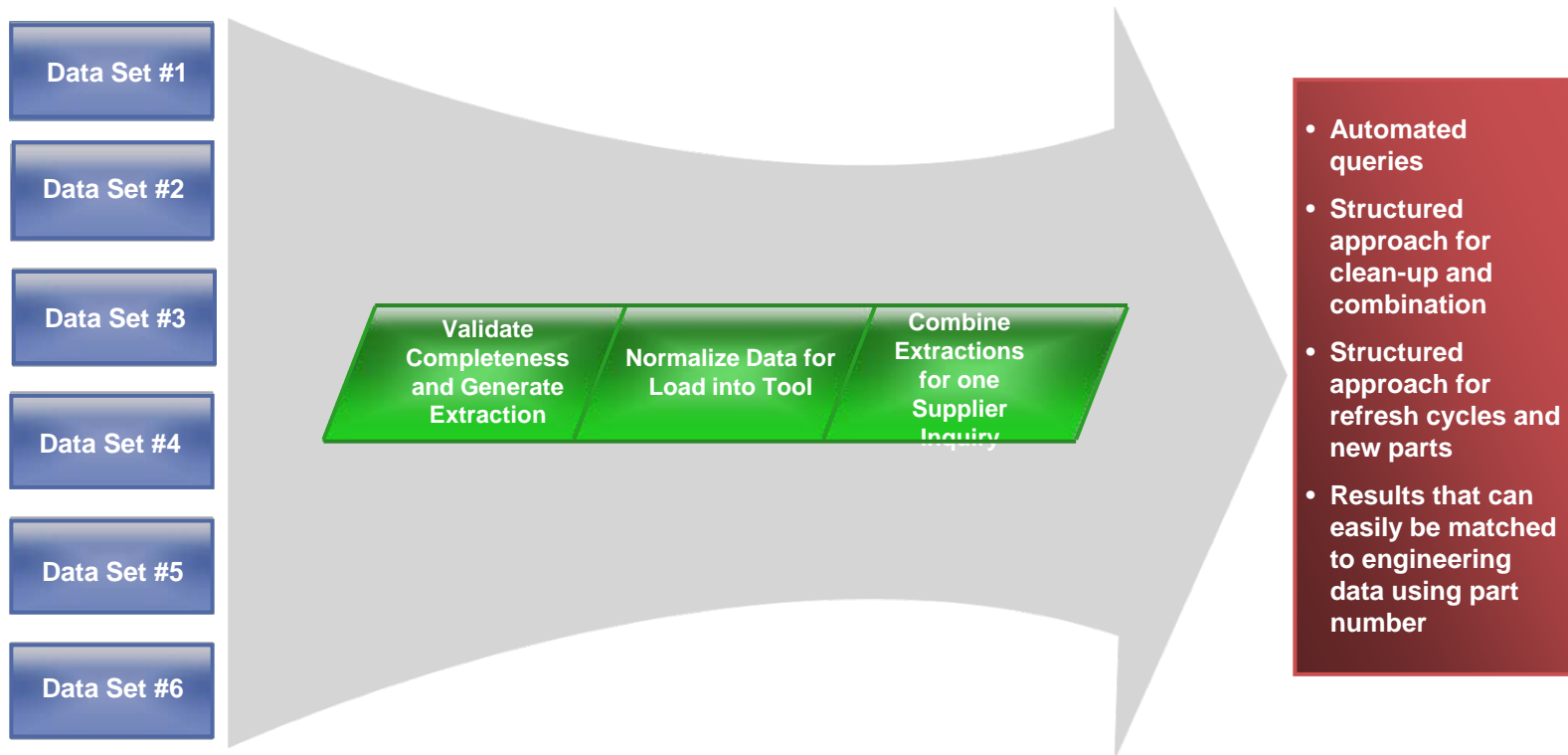
- “Out of the box” industry standard reports that encompass the vast majority of reporting needs
- Customized Report Generation: Reports can be created by business users and accessed within the tool without redeploying the application
- Context Sensitive Data: Ability to slice data to report on subordinate organizations, including individual business entities or geographic regions
- Strong security features: Reports can be restricted based on user profile and the tool will generate audit trails
- Ability to schedule data retrieval and monitor it in real time
- PMO Tracking: Dedicated PMO reports that allow PMO users or administrators to view the current status of all data within the system



The right tools will save time and money...and provide the necessary information needed to prepare and support the CM Report.

Appendix: Data Collection for Tool Execution

Before any tool can be utilized, the appropriate data sets need to be extracted. KPMG has assisted multiple clients in navigating these important initial steps to ensure the appropriate supplier inquiry is executed in an efficient way.



Appendix: Data Collection for Tool Execution

Data Collection for Tool Execution

- Supplier Code
- Supplier Name
- Parent Code (If Available)
- Parent Name (If Available)
- Part Number
- Part Name
- System / Business Unit
- Any others to facilitate unique client circumstances

The SEC requires product level reporting in Form SD. As a result, in addition to supplier data, you will need engineering or some other data tables for mapping parts from suppliers to your products.

Appendix: KPMG's weekly updates of conflict minerals developments to clients

This Week in Conflict Minerals

News Articles

- **Canada-US blog**, focusing on the legal development affecting Canada-U.S. cross border trade, published the summary and relevant impact of new conflict minerals. [Read More](#)
- **Compliance Week**: Conflict minerals rules are under siege from compliance officer of the companies as result of unreliable cost-benefit analysis based on unclear wording of the provision. [Read More](#)
- **Tantalum Investing News**: While the conflict minerals regulations are a step toward curbing the use of conflict minerals in manufactured products — most notably electronic devices such as smart phones and tablets — they are broad and leave gaping holes that are ripe for exploitation. [Read More](#)

News Articles

- **TPP**, web-based applications and data gathering services, announced its Compliance Management Module (CMM) will provide, identification, reporting, and due diligence capabilities to meet the new conflict minerals requirements. [Read More](#)
- **iPoint** updated its conflict minerals solutions with its iPoint Conflict Minerals Platform (iPCMP). [Read More](#)

Associations, Organizations, and Communities

- An online community “**Clean up Conflict Minerals**” has been created on **Facebook**. This online community, including updated conflict minerals clean-up progress and discussions, is dedicated to ending use of conflict minerals in funding the violence conflict in DRC [Read More](#)
- **IPC's** conflict minerals critical issues seminar proceedings hosted in the late fall of 2012 are now available, which explained SEC regulation and provided compliance assistance. [Read More](#)
- **SiliconExpert Technologies**, a provider of Electronic Component Data Management, released its conflict mineral survey to address the impact of SEC conflict minerals regulations. [Read More](#)

Industry Updates

- **Praxis**, a mutual fund, is talking with major cellular service providers in the U.S. about the use of conflict minerals in cell phones. [Read More](#)
- **AMSEC** released a multi-part form for conflict minerals disclosure, regarding minerals' quality record. This disclosure is not due until May 2014. [Read More](#)

Appendix: Filing of conflict minerals information

Location of Conflict Minerals Information

- Companies will provide conflict minerals disclosures in the body of a new specialized disclosure report on a new form, the Form SD
- A company must also make its conflict minerals disclosure available on its Web site for one year

“Filing” of Conflict Minerals Information

- Form SD, including Conflict Minerals Report, is to be “filed” under the Exchange Act and thereby subject to potential Section 18 liability

Uniform Reporting Period

- Disclosures cover the calendar year regardless of a company’s fiscal year
- Form SD covering the prior year must be provided by May 31
- First reporting period will be from January 1 to December 31, 2013, and the first Form SD must be filed by May 31, 2014.

Only Applies to Public Companies

- Rule applies to issuers that file reports under § 13(a) or §15(d) of the Exchange Act

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM SD
SPECIALIZED DISCLOSURE REPORT

(Exact name of the registrant as specified in its charter)

(State or other jurisdiction of
incorporation or organization)

(Commission
File Number)

(IRS Employer
Identification No.)

(Address of principal executive offices)

(Zip code)

(Name and telephone number, including area code, of the
person to contact in connection with this report.)

Check the appropriate box to indicate the rule pursuant to which this form is being filed, and provide the period to which the information in this form applies:

Rule 13p-1 under the Securities Exchange Act (17 CFR 240.13p-1) for the reporting period from January 1 to December 31, _____.

GENERAL INSTRUCTIONS

A. Rule as to Use of Form SD.

This form shall be used for a report pursuant to Rule 13p-1 (17 CFR 240.13p-1)

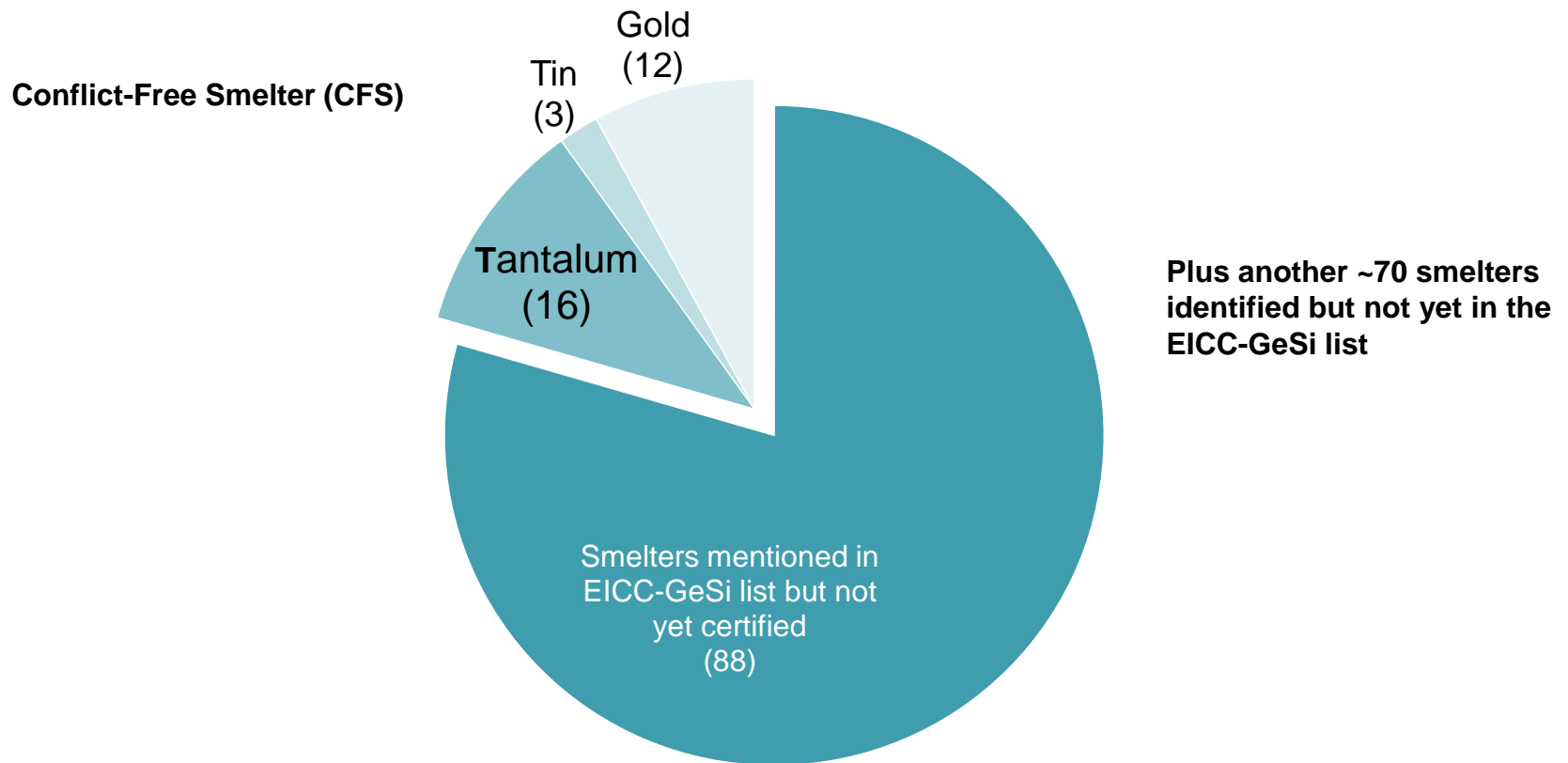
Appendix: EICC-GeSI's supplier reporting template for RCOI

Must be performed In good faith using a process reasonably designed to determine:

- Did the 3TGs originate in the Covered Countries?
- Did the 3TGs come from scrap/recycled sources?

Appendix:

Only 31 conflict-free smelters – Vast majority of smelters yet to be certified



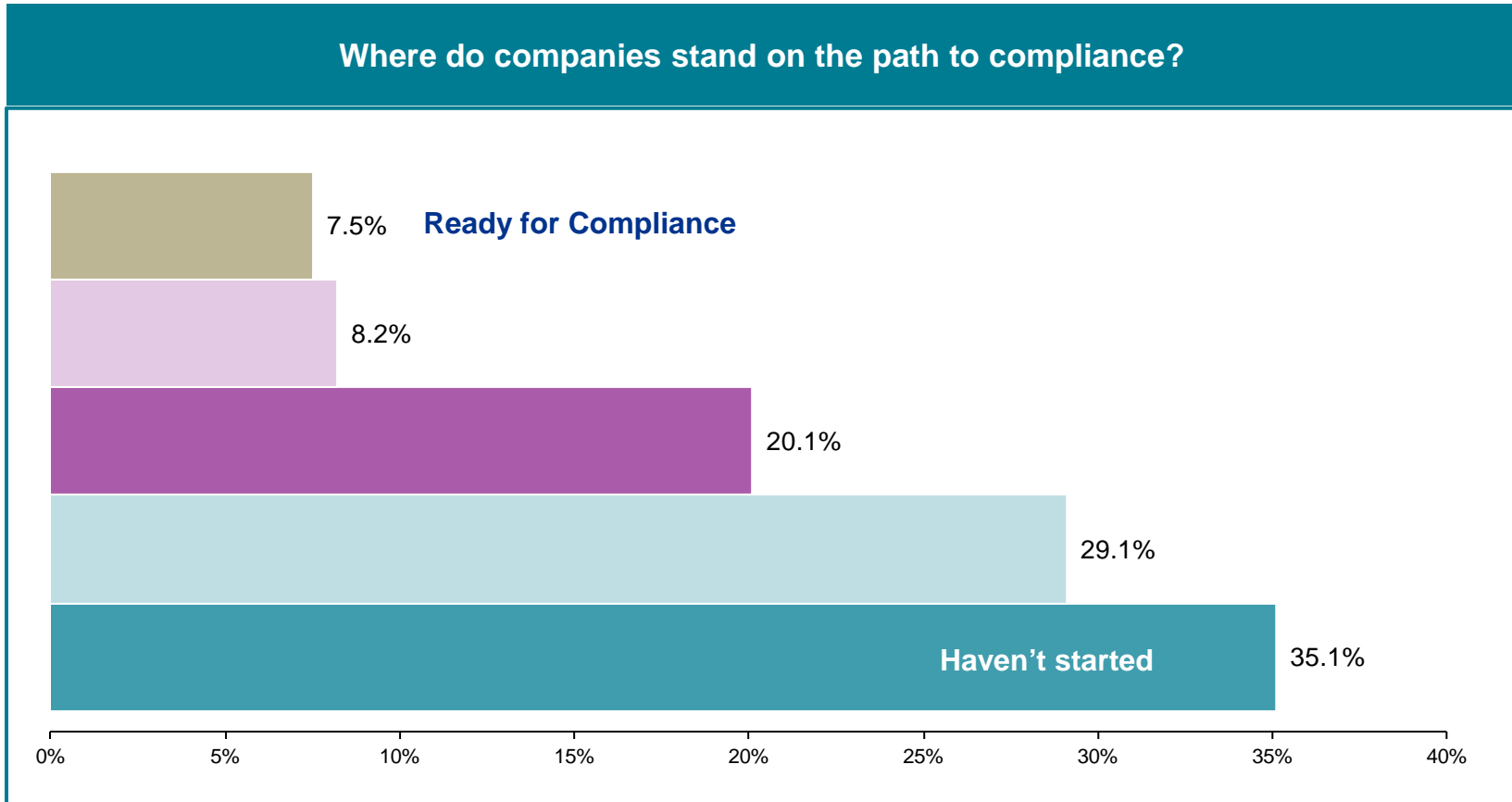
Today*, there is no CFS Supplier of Tungsten and only 3 for Tin...it will be a while before a sufficient number are certified to allow SEC filers to achieve a 'DRC Conflict Free' status.

* As of Jan 23, 2013

■ Source: <http://www.conflictreesmelter.org/CFSindicators.htm>

More than one-third of companies are unprepared for US Conflict-Minerals Rule

A recent survey asked 134 companies to rank on a scale of 1 – 5 (1 = unprepared; 5 = well prepared) where its company is in its plans to comply with the SEC Conflict Minerals rule. Just over 35% of companies haven't even started.



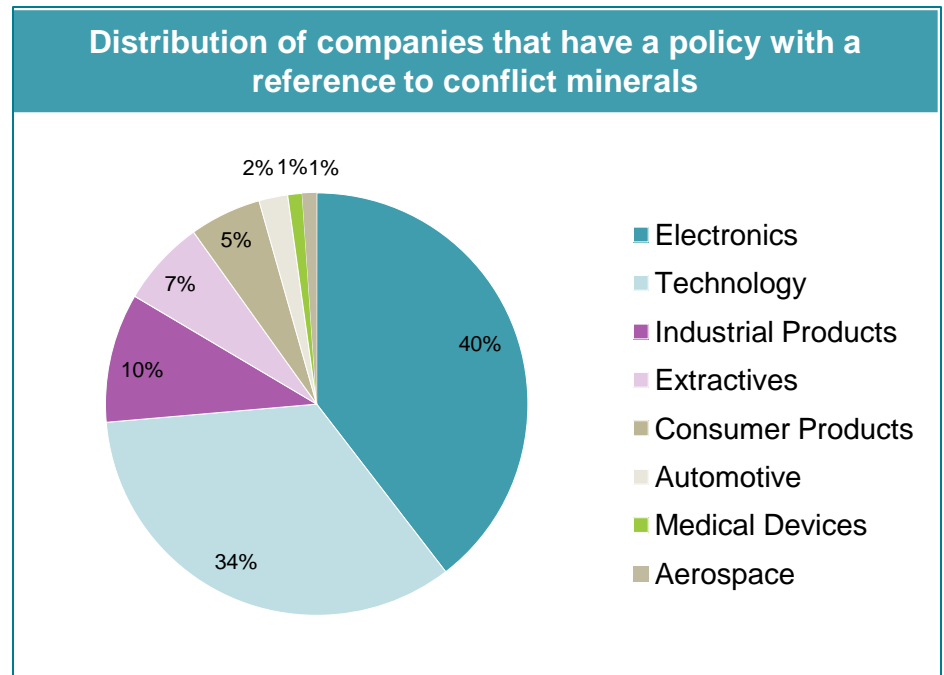
Source: IHS Webcast Survey, April 9, 2013

Industry response - Conflict minerals policies

- Final rule from the SEC: “An issuer’s policies with respect to the sourcing of conflict minerals will generally form a part of the issuer’s reasonable country of origin inquiry, and therefore would generally be required to be disclosed in the issuer’s Form SD.”
- OECD guidelines: “Adopt, and clearly communicate to suppliers and the public, a company policy for the supply chain of minerals originating from conflict-affected and high-risk areas. This policy should incorporate the standards against which due diligence is to be conducted....”

Sources: SECURITIES AND EXCHANGE COMMISSION, 17 CFR Parts 240 and 249b, Release No. 34-67716; File No. S7-40-10;
OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas

- 91 companies have a reference to conflict minerals as part of corporate or sustainability policy outlines on their Web sites
- Policies vary widely. Themes include commitment to sourcing from only conflict-free regions, supplier requirements/expectations, reference to the Dodd-Frank Act, or an acknowledgement of the issue

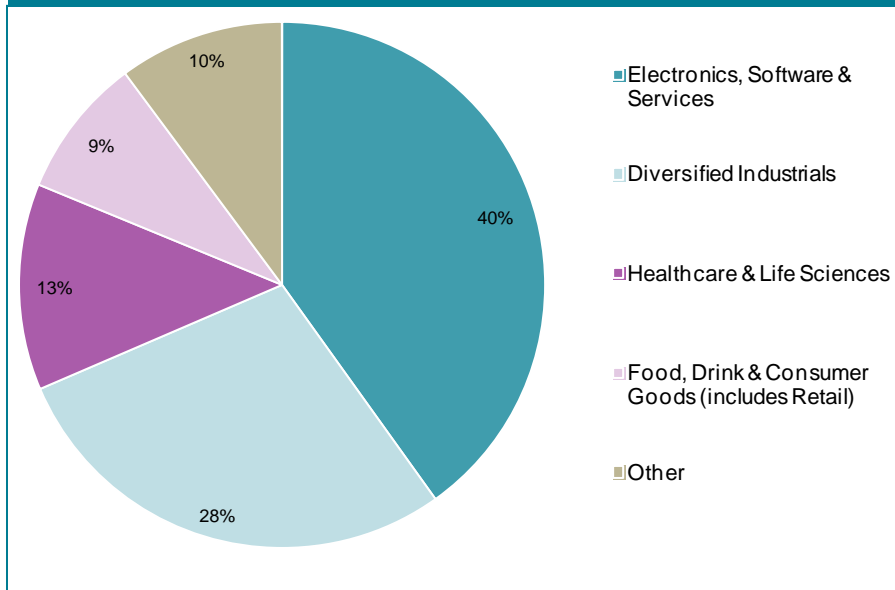


Source: KPMG research of publicly available information

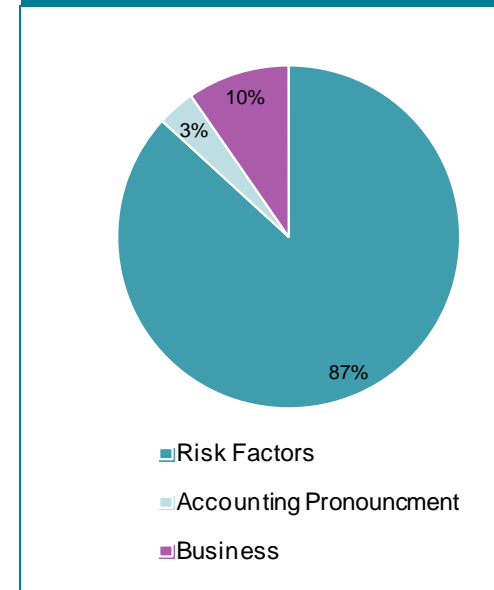
Industry response – Conflict minerals in annual reports

197 companies included a conflict minerals disclosure in their annual reports for 2012. The majority of companies filing disclosures represented the Electronics (40%) and Diversified Industrials (28%). Most companies included conflict minerals in the “Risk Factors” of the annual report.

Companies by industry including conflict minerals in their annual reports (%)



Most companies listed conflict minerals as a risk factor





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