



L3 SUPPLIERS

Conflict Minerals Frequently Asked Questions

- **What are the reporting requirements for companies subject to the SEC’s conflict minerals rule?**
 - The U.S. Securities and Exchange Commission (SEC) adopted a rule mandated by the Dodd-Frank Wall Street Reform and Consumer Protection Act which requires certain companies to publicly disclose the source and use of conflict minerals in their products that originated in the Democratic Republic of the Congo (DRC) and adjoining countries.
 - Companies subject to the rule must file with the SEC mandated conflict minerals disclosures by May 31 of every year (for the prior calendar year), covering products that were manufactured in the prior calendar year.
- **Is L3 subject to the conflict minerals rule?**
 - Yes. L3 is subject to the rule and must file its conflict minerals disclosure by May 31, 2019 with respect to the 2018 calendar year.
- **What is the purpose of the conflict minerals rule?**
 - The rule is designed to reduce the funding of armed groups engaged in regional conflict and human rights abuses in the DRC by mandating disclosure requirements on the use and source of specified minerals.
- **What are conflict minerals?**
 - Conflict minerals are defined in the SEC rule as cassiterite, columbite-tantalite, gold, wolframite, and their derivatives, which are limited to tin, tantalum, tungsten and gold (often referred to as “3TG”).
 - The term “conflict minerals” applies to all 3TG minerals, regardless of where the minerals were originally extracted.
- **What products may contain 3TG minerals?**
 - 3TG minerals can be found in a wide range of products including electronic components and circuitry, printed circuit boards, mobile devices, computers, electronic assemblies, electrical contacts, electrical plating, metal wires, electrodes, solders, alloys (e.g., bronze, brass, pewter), lighting, pipes, industrial tools and equipment, capacitors and many more products. Note, this is just a sample and not an exhaustive list of products.

- **The division that we support is located outside of the United States. Are L3 international divisions subject to the conflict minerals rule?**
 - Yes. A company subject to the conflict minerals rule is required to report on 3TG usage and origin for the entire company, regardless of location. L3 international locations and their supply chains will be required, on a timely basis, to conduct inquiries and perform supply chain custody due diligence in order for L3 Corporate to comply with the conflict minerals rule.
- **My company is not subject to SEC reporting requirements. Do we have any obligations under the rule?**
 - Yes. While certain companies may not be required to report on conflict minerals with the SEC, as a supplier to customers subject to the rule, including L3, they have SEC reporting obligations with respect to the products they supply. These companies will be required to conduct similar inquiries and supply chain custody due diligence in order for the customers to complete their SEC conflict minerals reporting obligations.
 - Depending on the type of products a supplier manufactures or distributes, the supplier may have to engage with their own supply chain regarding the sourcing and origin of its 3TG minerals.
- **We are not based in the United States. Do we need to provide conflict minerals reporting information to L3?**
 - Yes. While your company may not be required to report on conflict minerals with the SEC, as a supplier to L3, your information is critical to L3's ability to report to both our customers and to the SEC.
- **Is there any exception for products that contain only trace amounts of 3TG minerals?**
 - No. There is no minimum amount, percentage or de minimis content exception in the conflict minerals rule. Even trace elements of 3TG minerals must be reported.
- **What about parts or materials that contain 3TG minerals in them that were manufactured prior to the 1st reporting year of 2013, do we have to report 3TG minerals in these materials or parts?**
 - The SEC rule excludes any 3TG minerals that are "outside the supply chain" prior to January 31, 2013.
- **Does L3 make inquiries of all of its suppliers?**
 - L3 has a process in place that is reasonably designed to determine the source of the company's 3TG minerals. If your company is selected for this process, L3 will request 3TG sourcing information from your company.
- **What steps has L3 Corporate taken to capture the information required from its suppliers?**

- L3 Corporate has developed an internal web-based system that is used for gathering conflict minerals information from L3's suppliers.
- The L3's conflict minerals information request utilizes the most common industry template published by the Electronic Industry Citizenship Coalition (EICC) and Global e-Sustainability Initiative (GeSI). This template is often referred to as the Conflict Minerals Reporting Template (CMRT).
- **What diligence must L3 undertake with respect to 3TG minerals in its supply chain?**
 - Under the rule, L3 must exercise due diligence on the source and chain of custody of the 3TG minerals in its products in conformity with a nationally or internationally recognized framework.
 - The only nationally and internationally recognized due diligence framework currently available is the Organisation for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. The OECD guidance provides management recommendations for responsible supply chains of minerals. This document can be found at: <http://www.oecd.org/daf/inv/mne/GuidanceEdition2.pdf>
- **What tracking initiatives are available to assist companies undertaking supply chain diligence?**
 - A number of global and in-region supply chain initiatives are under development to enable companies engaging in due diligence under the OECD guidance to obtain the information necessary for making their conflict minerals disclosures.
 - One of the more prominent tracking initiatives is the Responsible Minerals Initiative (RMI). RMI has over 350 companies contributing to a range of tools and resources including the Responsible Minerals Assurance Process (RMAP). L3 is a contributing member of the RMI. For more information on the RMI program can be found at: <http://www.responsiblemineralsinitiative.org/>
 - The RMAP is a voluntary program in which an independent third party evaluates smelter and refinery procurement activities and determines if the smelter or refiner demonstrated that all the materials they processed originated from conflict-free sources. The program aims to enable companies to source conflict-free minerals. More information on this program can be found at: <http://www.responsiblemineralsinitiative.org/conformant-smelter-refiner-lists/>
- **If we have additional questions, who should we contact?**
 - Each L3 division has assigned a point of contact (POC) to address conflict minerals and questions at a division level. Reach out to the L3 division that your company supports and they will direct you to the conflict minerals POC who will be able to assist you in responding to your questions.

- The Corporate Supply Chain point of contact for conflict minerals is Mike Nelson, Director, Corporate Procurement. If you have additional questions he can be contacted at: Michael.Nelson@L3T.com