

Solutions for Hope

Update May 2012

“Solutions for Hope” Project

- AVX Corporation, (July 7th) in partnership with Motorola Solutions, has developed the "Solutions for Hope Project," a pilot program established to demonstrate a process to deliver conflict-free tantalum material from the Democratic Republic of the Congo (DRC) under the Organization for Economic Cooperation and Development (OECD) guidelines. The process' basis is a "closed pipe" principle in which tantalite ore mined from a single sites within the Katanga Province of the DRC is traced along its secure closed supply chain to the end customer's equipment in the form of tantalum capacitors supplied by AVX.
- Customers as end user participants accepting delivery of parts expanding



MOTOROLA SOLUTIONS



i n v e n t

FLEXTRONICS

Solutions for Hope Project

Scope: A pilot initiative to allow conflict-free tantalum from the DRC to be used in AVX, Motorola Solutions and other Participating company products.

Issue: Tens of thousands of People and their livelihoods have been threatened by the *de facto* ban.

Solution: We worked with a defined set of suppliers to create a closed-pipe supply line.



Solutions for Hope Project

The pilot project supports and is supported by several implementing Initiatives:

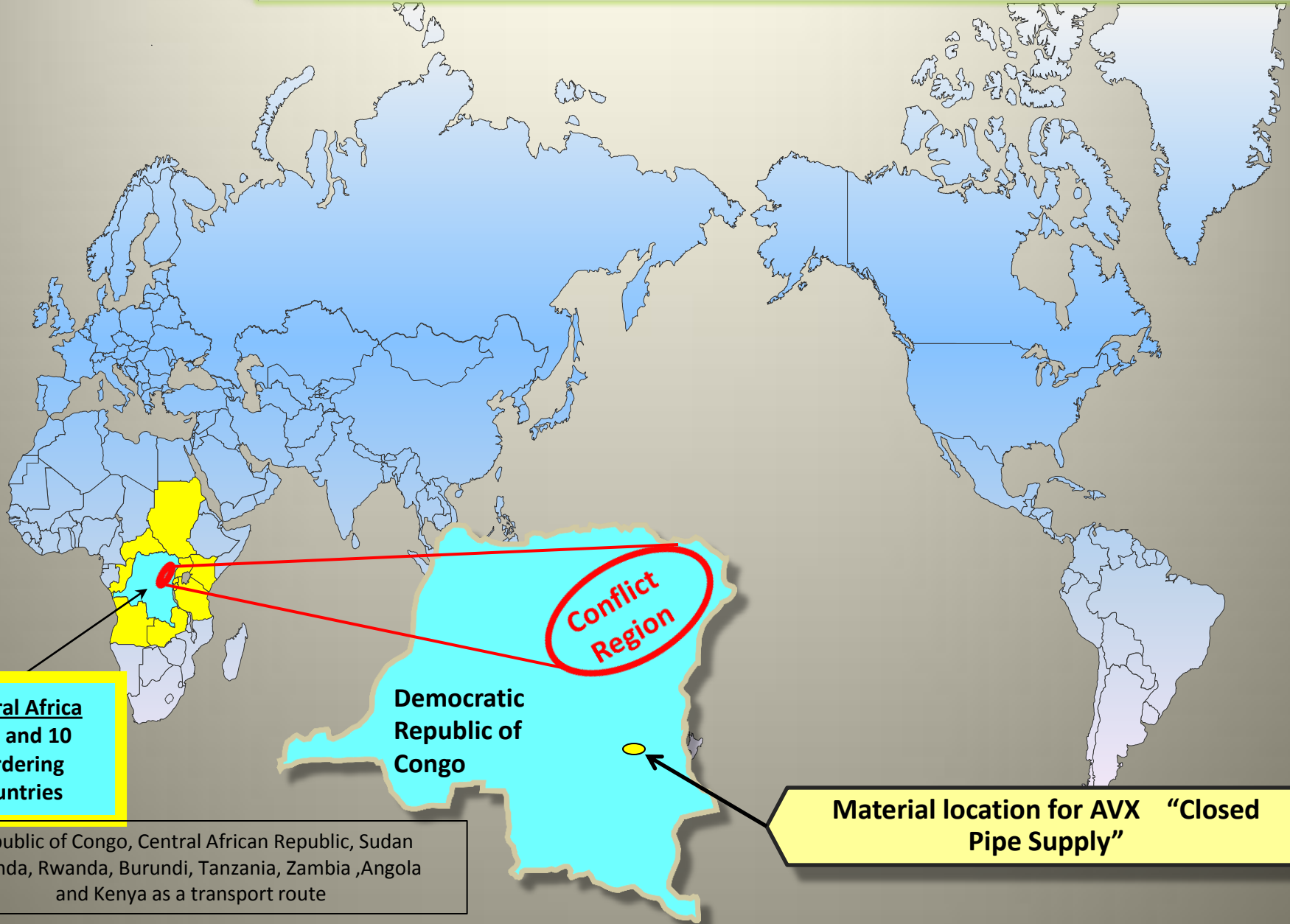


- ICGLR Regional Certification;
- Traceability program by iTSCi;
- Certification of mines by BGR **Certified Trading Chain;**
- Due diligence guidance and implementation by the OECD and the UN Group of Experts;
- Conflict-Free Smelter (CFS) program; and
- Conflict-Free Reporting Template



Creates an initial flow of tantalum that helps enable miners to work and conflict-free systems to be developed in the DRC.

CLOSED PIPE SUPPLY CHAIN



Central Africa
DRC and 10
Bordering
Countries

Republic of Congo, Central African Republic, Sudan
Uganda, Rwanda, Burundi, Tanzania, Zambia ,Angola
and Kenya as a transport route

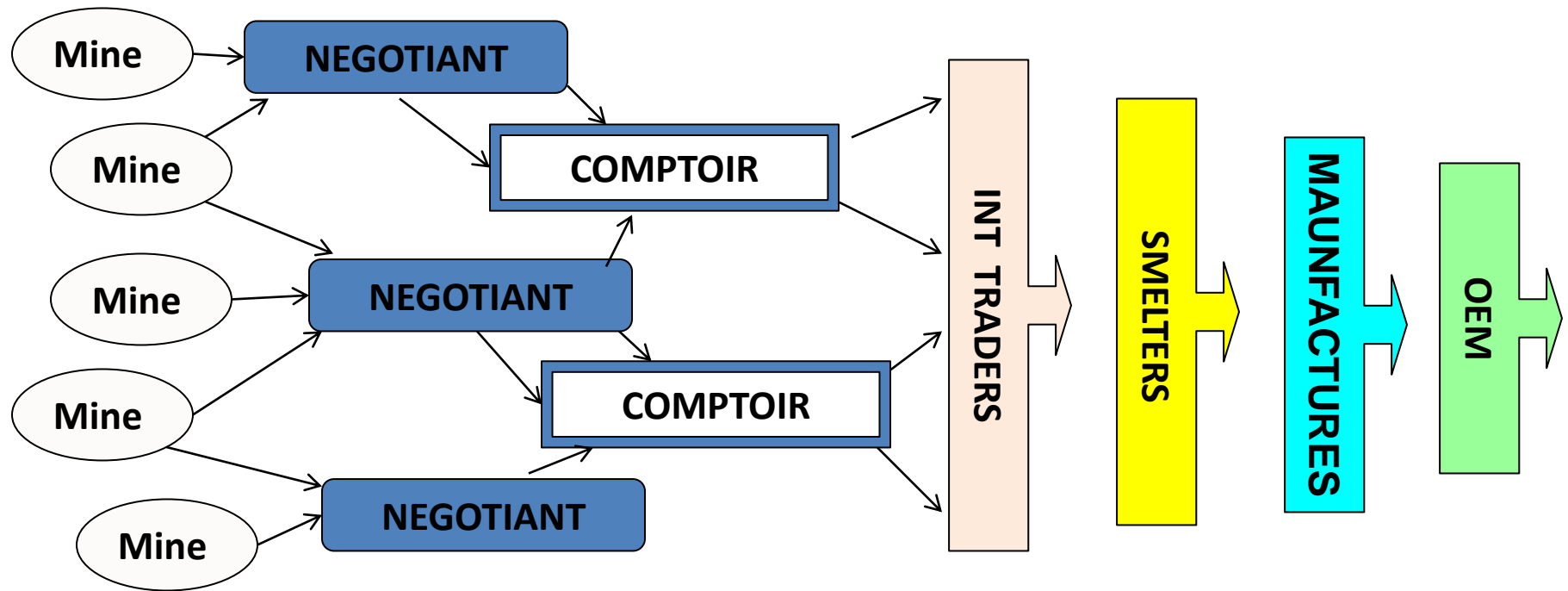
**Conflict
Region**

**Democratic
Republic of
Congo**

**Material location for AVX "Closed
Pipe Supply"**

Existing Comptoir Supply Model Chain

TYPICAL ARTISINAL MINING SUPPLY CHAIN



CLOSED PIPE SUPPLY CHAIN

THE “CLOSED PIPE” SOLUTION FOR TRACABILITY IN THE DRC
GIVES A SECURE CHAIN OF CUSTODY THAT MEETS OECD GUIDANCE

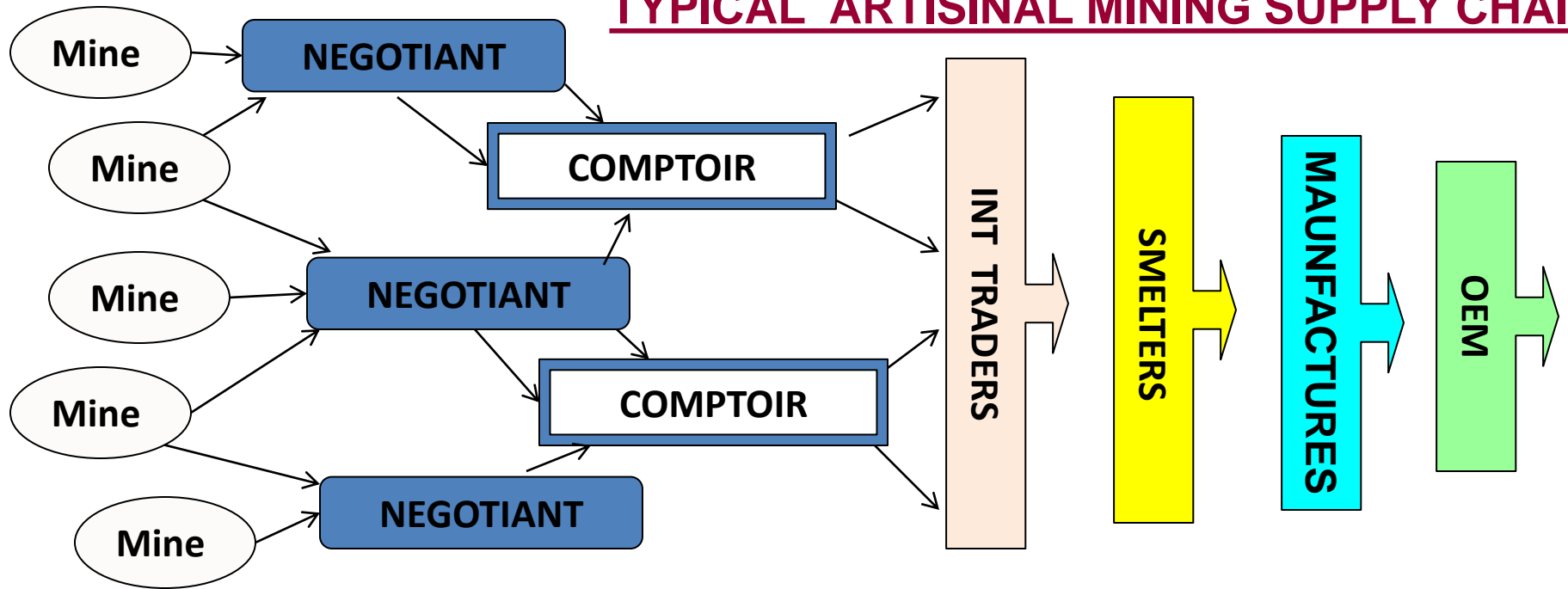


* The miners sell through their cooperative CDMC

** Mining Mineral Resources

CLOSED PIPE SUPPLY CHAIN

TYPICAL ARTISINAL MINING SUPPLY CHAIN



THE “CLOSED PIPE” SOLUTION FOR TRACABILITY IN THE DRC GIVES A SECURE CHAIN OF CUSTODY THAT MEETS OECD GUIDANCE

MINE*

MMR**

AVX/SMELTER

AVX

CUSTOMER

MINING IS CONDUCTED UNDER LICENCE FROM MMR.

AVX TAKE OWNERSHIP OF MATERIAL DIRECTLY FROM MMR

CUSTOMER HAS A TRANSPARENT TRACABLE SUPPLY CHAIN

* The miners sell through their cooperative CDMC

** Mining Mineral Resources

Next Steps

- Powder and wire lot delivered to AVX
- AVX assigns capacitor build delivery schedule
- Agree delivery programme with customers
- AVX delivers 'Solutions for Hope' capacitors
- Review 'closed pipe' process with partners
- Key questions
 - Reliable?
 - Sustainable?
 - Expandable?

Solutions for Hope Project

- Next Steps:
- Continue to solicit participation of other actors
- Manufacture components that contain the conflict-free material and deliver to end users
- Incorporate the components into final products
- Continue to develop capacity at the mine locations
- Maintain transparency around the program
- Evaluate the pilot project and determine future actions

Solutions for Hope Project

Status:

- Mine site validation of Mai Baridi by BGR
- SfH review team visit January 2012
- Added a non Chinese CFS to process SfH ore lots
- End equipment being delivered with SfH parts
- New end user participants to SfH parts
- Target first ICGLR certification from mine site
- Stress test the 'closed pipe' model at a mine site in the Maniema and/or Kivu's.
- SfH web site updated <http://solutions-network.org/site-solutionsforhope>

Participating Customers

- Motorola Solutions
- HP
- Flextronics
- Intel
- Foxconn
- RIM
- Nokia
- Motorola Mobility