



29 January 2016

SUBJECT: Yunnan Tin Company (YTC) EICC CFSI Tin Compliant / Active List Status and Kester's solder products.

Notice Update:

YTC (CID 002180) has completed the remedial actions for the audit gaps found during their 2015 annual re-audit. As a result, YTC has been moved from the sub-category "Smelters Undertaking Extended Corrective Action Plans" and added back into "Compliant Smelter & Refiner List" as of 16 Dec 2015.

Notice Update issued 31 August 2015:

On August 24, 2015, Conflict-Free Sourcing Initiative (CFSI) has updated its website (www.conflictreesourcing.org). They have revised the Active Smelters list and have added the sub-category "Smelters Undertaking Extended Corrective Action Plans". This category is defined as a smelter or refiner that is actively progressing towards Conflict-Free Smelter Program (CFSP) compliance and has committed to complete a CFSP validation audit. Yunnan Tin Company (YTC) has been added to this sub-category.

Original Notice issued 12 August 2015:

Kester has had queries regarding the status of Yunnan Tin Company (YTC) EICC conflict minerals compliance and Kester solder products. Kester has multiple qualified tin suppliers of which Yunnan Tin is one.

On June 24 2015, the CFSI Audit Review Committee made the determination to remove Yunnan Tin Company (CID 002180) from CFSI Compliant list effective 29 July based on its annual re-audit. The reason for the non-compliance is that some of YTC's suppliers and related partners are not involved in the CFSI program and are not on either the active nor compliant lists. The non-compliance on CFSI audit is not due to purchasing materials from any conflict country or area.

The remedial actions for the audit gaps cannot be completed within 90 days, so decided to remove YTC from the EICC Compliant list. The committee is discussing whether YTC can be listed on the "Active" list in the interim. YTC plans to be re-audited and re-enter CFSI program in January 2016 to regain EICC Compliant status listing.

Kester is confident that YTC has not used conflict minerals within its supply chain and that it will regain its previous status on the EICC compliant list. This event shows that the CFSI 3rd party audit process is effective to maintain adequate controls within the supply chain to ensure good tin smelter management systems.

In terms of Kester products, Kester has not used YTC source tin in any of its bar, wire and preform solder products in 2015. YTC source tin has been used for a portion of the solder powder produced for Kester. In the interim period until YTC is placed back on the EICC compliant list, all solder powder to be produced will utilize other approved suppliers as a matter of due diligence.

Fil Marcial,
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