

Regulation No.	APS-M-02	Conflict Minerals (Responsible Minerals) Policy	Revision Date	2014. 01. 01
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Standard Approval Form

- Document System: Management Regulation
- Regulation No.: APS-M-02
- Applicable Scope: All employees and Partners
- Prepared by: Planning Office (Yohan Rhee)
- Type: Enactment Revision
- Total Pages: 6
- Effective Date: January 1, 2014
- Approval

APPROVAL	Prepared by	Reviewed by	Approved by
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	2013. 12. 15	2013. 12. 19	2013. 12. 20

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Revision No.: 1.00

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Enactment • Revision History

Revision No.	Revision Page and Detail	Prepared by	Revision Date
1.00	Enactment	Yohan Rhee	2014. 01. 01

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Chapter 1. Conflict Minerals (Responsible Minerals) Policy

Article 1 (Object)

AP Semiconductor Inc. (hereinafter referred to as "AP Semiconductor") recognizes the issue of the sale of certain minerals (hereinafter referred to as "conflict minerals") and cobalt, including tantalum, tin, gold and tungsten, mined in 10 disputed countries, including the Democratic Republic of the Congo and its neighboring countries, as a very serious ethical issue, and the company, as a responsible corporate citizen, establishes and implements a "conflict minerals (responsible minerals) policy" to prevent armed forces in the conflict zone from being included in the supply chain for the production of its products.

Article 2 (Coverage)

This policy applies to all executives and employees of AP Semiconductor and recommends that they comply with it together, such as suppliers doing business with AP Semiconductor.

Article 3 (Definition of Terminology)

1. Conflict Minerals

It refers to minerals such as tantalum, tin, gold, and tungsten produced in disputed countries such as the Democratic Republic of the Congo or its neighboring countries. Funds generated by disputed minerals flow into armed forces in the country, killing their own people, as well as violating human rights such as child, forced labor, and abuse of women that may occur during the mining process. Amid growing international concerns, the U.S. Congress enacted a law (the Dodd-Frank Financial Regulatory Reform Act) in 2010 that mandated reporting on the use of disputed minerals, and under Article 1502 of the above Act, companies listed on the U.S. stock market must investigate whether and where they use disputed minerals, conduct due diligence on the supply chain, and report the results to the U.S. Securities and Exchange Commission (SEC).

2. Responsible Minerals

In addition to conflict minerals, it refers to minerals that raise human rights violations or environmental destruction issues during mining, and is mined in a way that does not serve as a source of funds for disputes and fulfills social responsibilities by respecting human rights and the environment

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Chapter 2. Conflict Minerals

Article 4 (Conflict Mineral Management Policy)

1. AP Semiconductor shall not use disputed minerals sourced from high-risk areas in compliance with international standards regulating disputed minerals, and shall establish a dispute minerals business process for legal compliance by applying international standards regulating disputed minerals.
2. AP Semiconductor shall use the Mineral Use Reporting Questionnaire to identify the names and locations of all smelters used in its products, including tantalum, tin, gold, and tungsten.
3. AP Semiconductor shall request the submission of a questionnaire for reporting the use of disputed minerals and a written confirmation that it is not using disputed minerals.
4. AP Semiconductor shall establish due diligence procedures in accordance with the OECD Due Diligence Guidelines and, if necessary, conduct due diligence on procedures and data performed by suppliers for reporting the use of disputed minerals.
5. AP Semiconductor should try to analyze international laws, government organizations, and customer policies and reflect them in internal policies.
AP Semiconductor should jointly respond with partners for systematic supply chain management and monitor government policies and support to establish a gradual process along with responding to conflict mineral regulations.

Article 5 (Request to Partner and Contractor)

1. Partner shall understand AP Semiconductor's "Conflict Minerals (Responsible Minerals) Policy" and cooperate as a business partner.
2. The partner shall establish documented conflict mineral management policies and procedures to ensure that the products supplied to AP Semiconductor do not include conflict minerals that contribute to the armed forces in the Democratic Republic of the Congo or its neighboring countries.
3. The partner shall prepare the certificate of origin at the request of AP Semiconductor and submit it in a timely manner.
4. If a risk in the supply chain is found, the partner shall take timely corrective action.

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Chapter 3. Responsible Minerals

Article 6 (Responsible Mineral Management Policy)

AP Semiconductor is aware of human rights violations in cobalt mines in the Democratic Republic of Congo and continues to work to ensure that mineral mining does not become a source of conflict and that mineral purchases that respect human rights and the environment and fulfill social responsibilities are made in response to global mineral issues.

AP Semiconductor strives to identify and mitigate the risk of conflict minerals by conducting CMRT* and EMRT* investigations and monitoring on the use of conflict minerals by its partners on a regular basis. We will actively participate in international cooperation on the use of responsible minerals with various stakeholders, including our customers and suppliers, and we will do our best to prevent any negative impact in the conflict zone. We will also continue to keep track of trends in responsible minerals and strive to fulfill our social responsibilities.

CMRT: Conflict Minerals Reporting Template

EMRT: Extended Minerals Reporting Template

This Conflict Mineral (Liability Mineral) Policy will be enacted and implemented from January 1, 2014.