



November 30, 2015

Subject: Smelter/Refiner participation in the Conflict Free Sourcing Initiative Program

Dear Smelter/Refiner:

Huntington Ingalls Industries, Inc. (“HII”) is the United States’ largest military shipbuilding company and a provider of engineering, manufacturing and management services to the nuclear energy, oil and gas markets. To support its manufacturing efforts, HII including its subsidiary Newport News Industrial Corporation (“NNI”), procures parts from suppliers who source from you. As required by Section 1502 of the [U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act](#) (“Act”) and related regulations, HII must identify and annually report the presence and source of “Conflict Minerals” (gold, tin, tantalum and tungsten) in its manufactured products. HII meets its obligations under the Act by requiring its suppliers to identify the smelters and/or refiners of Conflict Minerals that are included in HII products. Your company has been identified as a smelter/refiner of Conflict Minerals that are included in products sold to HII.

As you may or may not be aware, the underlying policy goal of the Act is to alleviate the indirect financing of armed conflict in the Democratic Republic of the Congo and surrounding countries, where various groups have used proceeds derived from mining or smelting Conflict Minerals. Currently, many smelters/refiners in HII’s supply chain have undergone an independent audit to confirm that the minerals used in their facility did not originate from the Democratic Republic of the Congo or a surrounding country. These smelters/refiners participate in the Conflict Free Sourcing Initiative (“CFSI”).

HII would like to take this opportunity to encourage your participation in the CFSI Program for the following reasons:

- 1) Participation in the CFSI Program provides downstream customers like HII with verified information about sourcing activities, which facilitates compliance with U.S. federal law;
- 2) Being an active participant in the CFSI Program will assist you in demonstrating to suppliers your conformance to the Organization for Economic Co-operation and Development (“OECD”) Due Diligence Guidance, which outlines how to conduct proper due diligence of the minerals being sourced for smelting or refinement; and
- 3) Participation in the CFSI Program is one potential way of helping to assure your customers that the minerals you supply are conflict-free.

Information about the CFSI Program can be found here:

http://www.conflictreesourcing.org/media/docs/CFSI_CFSP_SmelterIntroduction_ENG.pdf.

Thank you for considering participation in the CFSI Program. If you have any questions please contact M. J. Walsh, IV, Manager, Contracts & Purchasing for Newport News Industrial Corporation, a Subsidiary of HII at (telephone) 757-380-2274 or via email at Michael.J.Walsh@hii-nns.com .

Sincerely:

A handwritten signature in blue ink, appearing to read "M. J. Walsh, IV".

M. J. Walsh, IV C.P.M.
Manager, Contracts and Purchasing