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## Customer Information Request

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Customer Information Request #:  
- NDAA 5949

7/9/2024

**Subject: Compliance Update Regarding NDAA Section 5949**

Dear Valued Customer,

On behalf of Semtech Corporation (Sierra Wireless, a Semtech Company), we appreciate your inquiry and are pleased to provide the following information:

1. **NDAA Section 5949:**
  - NDAA (National Defense Authorization Act) Section 5949 addresses national security risks associated with Chinese technology in federal procurement. It runs parallel to Section 889, which prohibits certain Chinese telecommunications equipment within federal contracts.
2. **Prohibition on Specific Chinese Semiconductors:**
  - Federal procurement of electronic parts, products, or services containing specific Chinese Semiconductors (Semiconductor Manufacturing International Corporation (SMIC), ChangXin Memory Technologies (CXMT), Yangtze Memory Technologies Corp (YMTC), and any subsidiary, affiliate, or successor of such entities) is prohibited.
3. **Implementation Timeline:**
  - Regulations implementing Section 5949 are expected within three years.
  - Compliance with the prohibitions will begin in five years.
4. **Semtech's Approach:**
  - We are actively assessing how Section 5949 impacts our supply chains.
  - Semtech is preparing for forthcoming regulatory requirements to ensure compliance and avoid any noncompliance risks.
5. **Supplier Compliance:**
  - Semtech has confirmed compliance by surveying our tier-one direct suppliers for confirmation declarations.
  - Currently, only one supplier, Qualcomm, is non-compliant.
6. **Qualcomm's Resilience Measures:**
  - Qualcomm is proactively managing supply resilience by balancing geographic and geopolitical risks.
  - Their PMIC (Power Management Integrated Circuit) products are part of their corporate-wide resilience planning.
  - Qualcomm's sourcing team is aware of discussions and media reports around SMIC and is confident in implementing necessary measures to mitigate risks and prevent supply disruptions related to SMIC activity.

Semtech Corporation values our business relationship and looks forward to continued success.

Sincerely,

DocuSigned by:  
*Peter Kassaris*  
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