



December 2013

Subject: Conflict Minerals Policy

Pixelworks is committed to full compliance with the conflict minerals provision in Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the U.S. Securities and Exchange Commission's ("SEC") rules implementing the provision. These conflict minerals rules are intended to address concerns about the trade of conflict minerals (tin, tantalum, tungsten and gold) originating in the Democratic Republic of the Congo ("DRC") and adjoining countries that may help to finance conflict and violence in the region. As an electronic supplier, Pixelworks supports the objectives of the conflict minerals rules, and is fully committed to the responsible sourcing of conflict minerals.

Our Policy:

Pixelworks is committed to avoiding the use of conflict minerals that helped to finance conflict and violence in the DRC and adjoining countries. Pixelworks supports an industry-wide approach to responsible sourcing, and is closely monitoring the efforts of the Electronic Industry Citizenship Coalition (EICC) and Global e-Sustainability Initiative (GeSI). The joint EICC and GeSI group is taking action to address responsible sourcing through the development of the Conflict Free Smelter (CFS) program. The CFS program is a global program where an independent third party evaluates a smelter's procurement activities and determines if the smelter can demonstrate that materials they processed originated from conflict-free sources. Through this industry collaborative effort, conflict-free smelters are identified and audited globally, in turn enabling companies to source conflict-free minerals. The list of compliant smelters and refiners is posted at www.conflictreesmelter.org.

Our Suppliers:

Pixelworks expects its suppliers to have a policy to reasonably assure that the conflict minerals in the products they supply to us are conflict free and to establish their own due diligence program to promote conflict-free supply chains. Specifically, Pixelworks is urging our suppliers to see that all conflict minerals used to manufacture products supplied to Pixelworks originate from smelters participating in the CFS program.

Our Actions:

The SEC's conflict minerals rules require companies to provide certain annual disclosures relating to the origin of any necessary conflict minerals in the products they manufacture or contract to manufacture. Pixelworks is committed to taking all steps to meet our obligations under these rules. Pixelworks will be using the Conflict Minerals Reporting (CMR) template developed by the EICC and GeSI to obtain information from suppliers about the origin of conflict minerals in the products they supply to Pixelworks. We will continue to engage with our suppliers and survey our supply chains to further our goal of conflict-free sourcing.

Best Regards,

A handwritten signature in black ink that reads "Jeff Case". The signature is written in a cursive, flowing style.

Jeff Case, Sr. Corporate Quality Manager
jcase@pixelworks.com
Pixelworks, Inc.