



Dear Customer,

Encoder Products Company (EPC) supports ending the violence and human rights violations in the mining of certain minerals from locations described as "Conflict Regions". The minerals from these regions are referred to as "Conflict Minerals". In July 2010, the United States enacted the Dodd-Frank Wall Street Reform and Consumer Protection Act, which includes section 1502, a section which regulates disclosure of the use of any "Conflict Minerals". The "Conflict Region" is situated in the eastern portion of the Democratic Republic of the Congo (DRC) and surrounding countries. The four Minerals covered by the act are Gold (Au), Tantalum (Ta), Tin (Sn) and Tungsten (W) – collectively known as 3TG.

Although the metals supply chain is global and complex, EPC is committed to conducting the necessary due diligence required to not knowingly procure 3TG's originating in the DRC. EPC will survey suppliers to verify DRC Conflict-Free and request them to fill out the Conflict Minerals Reporting Template (CMRT) and provide a Conflict Minerals Policy/Statement. The CMRT is a form created by the Electronic Industry Citizenship Coalition (EICC) and Global e-Sustainability Initiative (GeSI) as a standard reporting tool for all to use.

**This statement serves as EPC's commitment to support the aims and objectives of the U.S. legislation on the supply of "Conflict Minerals".**

- A copy of our CMRT is available on our website: [www.encoder.com/statements/](http://www.encoder.com/statements/)
- The U.S. Securities and Exchange Commission (SEC) requires publicly traded companies to report annually to the SEC on "Conflict Minerals". EPC is a privately held company and is exempt from the rule. However, we will strive to meet the requirements of the act and will assist our customers in meeting their compliance needs.
- We reserve the right to amend this statement at anytime based on changes to the U.S. legislation.
- For further information about Conflict Minerals, please visit: <http://www.responsibleMineralsinitiative.org/>

All information provided in this statement is accurate to the best of our knowledge.

We appreciate your business.

Sincerely,

Penny Farmin - Compliance Manager

[pennyf@encoder.com](mailto:pennyf@encoder.com)

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