



## Compunetix Conflict Minerals Statement

January 18, 2017

The Wall Street Reform and Consumer Protection Act, the Dodd-Frank Act, signed into law in July 2010, directs the U.S. Securities and Exchange Commission (SEC) to require publically traded manufacturing companies to report whether their products contain "Conflict Minerals" necessary to the function or production of those products. The SEC published its rule in August 2012.

Under the SEC rule, tin, tungsten, tantalum and gold (called 3TG) are the specific minerals mined in the Democratic Republic of Congo (DRC) or in the African nations having a common border with DRC. Military groups in that region have benefited financially from the proceeds of mineral trade and have committed violent crimes against locals, and perpetrated human rights abuses. The goal of the SEC rule is to help end the civil conflicts and human rights abuses by denying revenues to the militants in control of the DRC region mines.

Even as a private company, Compunetix is committed to ethical practices, compliance with applicable laws, and fully supports the humanitarian goals established by the Dodd-Frank Act to eliminate human rights abuses.

Compunetix does not directly procure 3TG from mines, smelters or refiners. Being several layers removed from these members of the supply chain, we do not have first-hand knowledge of these sources so we rely on our suppliers to assist with compliance.

Via our Terms and Conditions of Purchase, Compunetix expects our suppliers to have in place, policies, due-diligence frameworks, and management measures, to certify minerals being sourced are complaint and DRC conflict free. Our suppliers cascade these requirements to their sub-tiers in confirming 3TG content.

Compunetix will suspend or discontinue the relationship with suppliers we determine to be non-compliant to the requirements of our Terms and Conditions, or where reasonable risk is identified that they source from, or are linked to, any party committing human rights abuses.

It is the Compunetix view that the obligation of full conflict mineral compliance rests with those companies who are directly responsible for approving product designs, bills of materials, component selection, or lists of responsible manufacturers. We will work with our suppliers and customers to pursue solutions to non-compliance issues.

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