

Electrical Power Products, Inc.

Conflict Minerals Background

The Dodd–Frank Wall Street Reform and Consumer Protection Act was signed into U.S. federal law in 2010. Section 1502 lays out reporting obligations for companies that are publicly traded in the US and thus governed by the Securities & Exchange Commission (SEC).

Section 1502 requires publicly traded companies to assess their supply chains and report annually to the SEC whether the products they manufacture or contract to manufacture contain “conflict minerals” originating from the Democratic Republic of the Congo (the “DRC”) or the adjoining countries. Revenue from the mining and transportation of these conflict minerals is believed to be financing groups that are responsible for human rights violations. "Conflict minerals" refers to tantalum, tin, tungsten & gold (The 3TGs).

Policy Statement

EP² supports efforts to achieve the humanitarian goal of ending violent conflict in the Democratic Republic of Congo (DRC) and surrounding countries, which has been partially financed by mining Conflict Minerals.

Although EP² is not a publicly-traded company, and therefore not obligated to meet the SEC requirements published in Section 1502, EP² willingly participates in the Conflict Minerals due diligence process in order to meet our customers’ needs. We are committed to working towards avoiding the use of Conflict Minerals in our supply chain.

At EP², we value integrity and ethical standards and we expect the same from our vendors. We are committed to the responsible sourcing of the components used in the products that we manufacture for our customers and we expect our suppliers to also be committed to responsible sourcing. To that goal, we have adopted this Conflict Minerals Policy and we expect that our suppliers will adopt a similar policy and meet our expectations described below.

EP² Has the Following Expectations of Our Suppliers

EP²'s suppliers should not include any Conflict Minerals that are not DRC Conflict Free in any products sold to EP².

Suppliers must develop Conflict Minerals policies, exercise due diligence to determine the source of Conflict Minerals and develop management systems that are designed to prevent Conflict Minerals that are not DRC Conflict Free from being included in the products sold to EP².

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Suppliers are expected to use reasonable efforts to source Conflict Minerals from smelters that are validated as being DRC Conflict Free, and in turn require their direct and indirect suppliers to do the same.

Suppliers will be required to provide written evidence of due diligence documentation upon request that includes completion of the Responsible Minerals Initiative's Conflict Minerals Reporting Template (CMRT). The aim is to ensure that only "conflict free" materials and components are used in the products our suppliers send to us.

Actions EP² Will Take for Non-Compliance

EP² reserves the right to evaluate the extent to which a supplier has failed to reasonably comply with this Policy. Suppliers who do not reasonably comply with this Policy will be reviewed by EP²'s supply chain organization for future business.

EP² reserves the right to request additional documentation from its suppliers regarding the origin of any Conflict Minerals included in any products sold to EP².

In the event that EP² determines that a supplier's efforts to comply with this Policy have been deficient and the supplier fails to cooperate in developing and implementing reasonable remedial steps, EP² reserves the right to take appropriate actions up to and including discontinuing purchases from the supplier.

If EP² becomes aware of a supplier whose supply chain includes a 3TG metal from a conflict source, EP² will take reasonable steps to address the situation, including the potential reassessment of supplier relationships, depending on factors such as the criticality of the specific part and the availability of alternate suppliers.

Summary/Conclusion

EP² understands the importance of this issue to its customers and is committed to working towards a DRC Conflict-Free supply chain.