

AeroMet Welding & Machine Inc.
Conflict Minerals Policy

1. Background

In August 2012, the United States Securities and Exchange Commission (“SEC”) issued its final rules regarding “Conflict Minerals” (known as ‘3TG’ – Tantalum, Tin, Tungsten and Gold) as defined in and required by section 1502 of the Dodd – Frank Wall Street Reform and Consumer Protection Act (the “Act”). As a result, many companies are now focusing on whether and to what extent their products contain Conflict Minerals and whether such Conflict Minerals come from the Democratic Republic of Congo and the adjoining countries named in the Act.

AeroMet strives to be a good corporate citizen. We are committed to ensuring the health, safety and protection of people who come into contact with our products and business, and we require high social, environmental and human rights standards among our suppliers. Managing our obligations in relation to Conflict Minerals is a part of this corporate responsibility.

2. AeroMet Commitments

Traditionally the industry focus and government regulations (notably Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act) have addressed conflict minerals sourced from Democratic Republic of Congo and its adjoining countries. Prompted by growing concerns about child labor and additional human rights violations beyond the scope of Dodd-Frank act, Hitachi Energy has evolved its conflict minerals program and related due diligence practices to address minerals originating from Conflict-Affected and High-Risk Areas (CAHRAs)¹. Therefore, we are committed to:

- Identifying which AeroMet Welding & Machine products are impacted and targeting our efforts accordingly.
- Not buying products and materials containing Conflict Minerals directly from conflict mines.
- Asking our suppliers to ensure that any Conflict Minerals contained in the products and materials supplied to AeroMet Welding & Machine originate from Conflict Free Sources.
- Contributing to conflict-free trade by encouraging our suppliers not to discriminate against legitimate sources of Conflict Minerals.

3. AeroMet Measures

In working towards these commitments, we have taken the below steps:

- Only purchase materials and services from suppliers practicing due diligence concerning Conflict Minerals originating from Conflict-Affected and High-Risk Areas (CAHRAs)¹
- Engaging with our suppliers yearly to request evidence of compliance.

¹ CAHRAs – As per OECD Due Diligence Guidance for Responsible Supply Chain of Minerals, Conflict-Affected and High-Risk Areas (CAHRAs) are identified by the presence of armed conflict, widespread violence or other risk of harm to people. Armed conflict may take a variety of forms, such as a conflict of international or non-international character, which may involve two or more states, or may consist of wars of liberation, or insurgencies, civil wars, etc. High-risk areas may include areas of political instability or repression, institutional weakness, insecurity, collapse of civil infrastructure and widespread violence. Such areas are often characterized by widespread human rights abuses and violations of national or international law.