

Policy Statement on Conflict Minerals

Section 1502(b) of HR4173, the Dodd – Frank Wall Street Reform and Protection Act of 2010 passed in July 2010 is an attempt to prevent rebel groups in the Democratic Republic of Congo (DRC) from illegally using profits from the material trade to fund their activities. As a result of this act the U.S. Securities and Exchange Commission (SEC) has adopted final rules to implement reporting and disclosure requirements related to “conflict minerals.” The rules require manufacturers who file certain reports with the SEC to disclose whether the products they manufacture or contract to manufacture contain “conflict minerals” that are “necessary to the functionality of production” of these products.

The definition of “conflict minerals” refers to gold, tin, tantalum and tungsten, the derivatives of cassiterite, columbite-tantalite and wolframite, regardless of where they are sourced, processed or sold. The U.S. Secretary of State may designate other minerals as “conflict minerals” in the future. We support this legislation as it furthers the humanitarian goal of ending violent conflict in the Democratic Republic of Congo (DRC) and surrounding countries.

We support the aims and objectives of the Section 1502(b) of HR4173, the Dodd – Frank Wall Street Reform and Protection Act of 2010 and commits to the goal of this regulation to stop the funding of armed conflict in the DRC region.

Pactech, as a privately held corporation, is not subject to the Conflict Minerals reporting requirements; however, as a supplier to publicly traded companies, we commit to helping our customers comply with their reporting requirements to the best of our ability.

Pactech is working closely with our direct suppliers to trace these metals back to their origin in order to ensure responsible sourcing. We request our suppliers to comply with Pactech’s requirements relating to conflict minerals and responsible sourcing. We require our suppliers not using “conflict minerals” that originate from facilities in the “conflict region” that are not certified as “conflict free” in their production. If we become aware of a supplier whose supply chain includes metals from a conflict source, Pactech will take the appropriate actions to remedy the situation in a timely manner, including reassessment of supplier relationships. Based upon information provided by our suppliers, Pactech does not knowingly use metals derived from the Conflict Region.